



LEGISLATIVE COUNCIL OF TASMANIA

SESSIONAL COMMITTEE GOVERNMENT ADMINISTRATION B

Homes Tasmania

Short Inquiry

Final Report

Members of the Committee

Hon Rosemary Armitage MLC
(Deputy Chair)

Hon Cassy O'Connor MLC
(21 May 2024 to 29 October 2024)

Hon Luke Edmunds MLC
(From 21 May 2024)

Hon Tania Rattray MLC
(Chair)

Hon Mike Gaffney MLC
(From 21 May 2024)

Hon Rob Valentine MLC
(Until 3 May 2024)

Hon Jane Howlett MLC
(Until 27 February 2024)

Hon Meg Webb MLC

Hon Josh Willie MLC
(Until 27 February 2024)

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Committee Resolution

Legislative Council Sessional Government Administration Committee B (the Committee) was established by resolution of the Legislative Council (Council) and its operation is governed by Sessional Orders agreed to by the Council.

On 12 December 2023, in accordance with Sessional Order 5 (14), the Committee resolved to establish a Short Inquiry Process (SIP) scrutinising Homes Tasmania with the following terms of reference:

1. To review and report on the Homes Tasmania Annual Report 2022-23, including scrutiny of the Annual Financial Statements (as at 30 June 2023) and related annual report material.
 2. To review and report on the functions of Homes Tasmania, including the progress to date of its key priorities (inclusive of those contained within the Tasmanian Housing Strategy 2023-43 and Tasmanian Affordable Housing Strategy 2015-25):
 - a. crisis accommodation and support
 - b. social housing, including supported accommodation, public and community housing, and specialist accommodation for vulnerable people, and
 - c. affordable housing, including affordable land, affordable private rentals and affordable home ownership
 3. Any other matter incidental thereto.
-

Abbreviations and Acronyms

Action Plan	Housing Tasmania Strategy Action Plan 2023-2027
APRA	Australian Prudential Regulation Authority
CEO	Chief Executive Officer
Committee	Legislative Council Sessional Government Administration Committee B
Council	Legislative Council
DPAC	Department of Premier and Cabinet
HAFF	Housing Australia Future Fund
Housing Strategy	Tasmanian Housing Strategy 2023-43
HT	Homes Tasmania
LGA	Local Government Area
LGH	Launceston General Hospital
LVR	Loan to value ratio
MLC	Member of the Legislative Council of Tasmania
MP	Member of Parliament
NSW	New South Wales
SIP	Short Inquiry Process
TASCORP	Tasmanian Public Finance Corporation
the Act	<i>Homes Tasmania Act 2022</i>
UTAS	University of Tasmania

Short Inquiry Overview

It was the view of the Government Administration B Committee that the amount of time available via the Budget Estimates process to scrutinise Home Tasmania was inadequate. This inquiry was established from an own motion by the Committee. One of the Committee's Terms of Reference was to review and report on the Homes Tasmania Annual Report 2022-23.

The Membership of the Committee is:

Hon Tania Rattray MLC (Chair)
Hon Rosemary Armitage MLC (Deputy Chair)
Hon Meg Webb MLC
Hon Mike Gaffney MLC
Hon Luke Edmunds MLC

The Summary of Findings in this Report comprises of five key findings. This Report should be read in conjunction with the documents included.

I appreciate my fellow Committee members for their commitment to this inquiry and on behalf of all Members I acknowledge and sincerely thank the Committee Secretariat for their excellent support in assisting the Committee.



The Hon Tania Rattray (MLC)
Chairperson

- NB:*
- 1. The Committee notes that during the course of this Short Inquiry Process, the 2024 State election was held, with Parliament being prorogued.*
 - 2. The Committee also notes the Homes Tasmania Annual Report 2023-24 has since been released.*

Summary of Findings

At the time of this Report, the Committee found that:

Findings 1 - 5

- F1. While the election commitment to exempt first home buyers from stamp duty has been implemented, the election commitment to establish a levy on short-stay accommodation has not been delivered.
- F2. Since passing legislation in 2018 to fast-track the rezoning of Government land suitable for residential use for affordable housing, a total of six houses have been completed on that rezoned land, with 16 under development.
- F3. Under the Government's action plan to build 10,000 New and Affordable Homes by 2030. This number is defined as including affordable land, all types of accommodation including crisis and emergency accommodation, social housing, home ownership and affordable rentals, for Tasmanians.
- F4. Under the MyHome scheme only one, relatively high, interest rate is offered by the Bank of Us, unlike the other jurisdictions which use commercial lenders and offer a variety of rates.
- The original tender document for the scheme appeared to specify the lender would offer a range of interest rate options according to loan-to-value ratio (LVR).
- F5. In relation to the MyHome scheme, Homes Tasmania acknowledged that the wording of the Certificate of Currency presented problems for clients to secure insurance.
- Homes Tasmania reviewed the specific insurance requirements to ensure a broader range of insurance providers were able to meet the requirements. A process for accepting alternative insurance arrangements that meets expectations is now in place.

Conduct of Review

On 12 December 2023, the Committee resolved to commence a short inquiry to scrutinise Homes Tasmania: subsequently, the Committee presented to the Council a Special Report on a Resolution to Commence Inquiry in accordance with Sessional Order 5(14).

In line with the usual practice for a short inquiry, the Committee resolved not to take any public submissions.

On 15 December 2023, the Committee wrote to the then responsible minister Hon Nic Street MP (Minister for Housing and Construction) to inform him of the Inquiry and invite the Minister and departmental representatives to a public hearing (scheduled for Friday, 16 February 2024).

On 14 February 2024, Parliament was prorogued and the House of Assembly dissolved pending the outcome of the early Tasmanian election called for 23 March 2024. As per convention and practice, all Committee activity ceased.

Upon resumption of the 51st Parliament of Tasmania, the reconstituted Committee resolved to continue the Inquiry on 18 June 2024.¹

On 20 June 2024, the Committee wrote to the new responsible minister Hon Felix Ellis MP (Minister for Housing and Planning) to inform him of the Inquiry and invite the Minister and departmental representatives to a public hearing (scheduled for Tuesday, 9 July 2024).

The Committee received oral and written briefings from key stakeholders.²

On 9 July 2024, the Committee had a public hearing with the responsible Minister and departmental representatives in Committee Room 2, Parliament House, Hobart:

Tuesday, 9 July 2024

Hon Felix Ellis MP
(Minister for Housing and Planning)

Homes Tasmania

Ms Michele Adair (Board Chair)

Ms Eleri Morgan-Thomas (Chief Executive Officer)

Ms Jessemy Stone (Director, Housing Policy and Programs)

Mr Rod Fazackerley (Principal Financial Officer)

Department of Premier and Cabinet

Mr Mathew Healey (Deputy Secretary, Policy and Intergovernmental Relations)

¹ See Special Report - Re-establishment of Short Inquiry into Homes Tasmania, https://www.parliament.tas.gov.au/_data/assets/pdf_file/0031/82948/GAB-Legislative-Council-Sessional-Committee-Special-Report-Homes-Tasmania-19-June-2024-FINAL.pdf

² See in general submissions from TasCOSS, Tenants Union and Colony 47 available on the Committee's website: <https://www.parliament.tas.gov.au/committees/legislative-council/sessional-committees/govadminb/current-inquiries/inquiry-into-homes-tasmania>

On 11 July 2024, the Committee wrote to the responsible minister to invite him and his departmental representatives for an additional public hearing scheduled on Friday, 2 August 2024, in Committee Room 1, Parliament House, Hobart.

On 12 July 2024, the Committee wrote to Hon Felix Ellis MP with questions on notice and request for further information that eventuated from the 9 July 2024 public hearing. A written response addressing the same was received by the Committee on 29 July 2024.

On 2 August 2024, the Committee had a public hearing with the responsible Minister and departmental representatives in Committee Room 2, Parliament House, Hobart:

Friday, 2 August 2024

Hon Felix Ellis MP

(Minister for Housing and Planning)

Homes Tasmania

Ms Eleri Morgan-Thomas (Chief Executive Officer)

Ms Jessemy Stone (Director, Housing Policy and Programs)

Mr Rod Fazackerley (Principal Financial Officer)

Mr Richard Gilmour (Director, Community Infrastructure)

On 9 August 2024, the Committee wrote to Hon Felix Ellis MP with further questions on notice that eventuated from the 2 August 2024 public hearing. A written response addressing the same was received by the Committee on 23 August 2024.

Background

From the Tasmanian Government Service 2023-24 Budget Paper No.2 Vol.2, the following Authority Outline has been extracted:

Homes Tasmania was established under the Homes Tasmania Act 2022 and commenced on 1 December 2022. Homes Tasmania is Tasmania's housing and homelessness system manager, working with government, industry, the private sector, and the social housing and homelessness sector to improve the housing market and provide more housing opportunities.

Homes Tasmania is governed by a skills-based Board, appointed by the Minister for State Development, Construction and Housing, Hon Guy Barnett MP.

Homes Tasmania has a dedicated focus on housing and homelessness, allowing it to understand, respond and develop strategies to address housing needs across Tasmania. While ensuring those in greatest need are prioritised for housing, it also considers the whole housing market. Homes Tasmania has flexibility to partner with sector and industry and undertake urban renewal projects, giving it a broad remit to address housing affordability, access and supply. It also has flexibility in its financial structure, leveraging its asset base to borrow for strategic projects that meet its purpose.

The role of Homes Tasmania is to support access to affordable and appropriate housing across the entire housing continuum. This includes:

- *short-term homeless accommodation and support;*
- *social housing including supported accommodation, public and community housing and specialist accommodation for vulnerable people;*
- *affordable housing including affordable land, affordable private rentals and affordable home ownership; and*
- *key worker and regional housing supply.*

Homes Tasmania is also building opportunities for Tasmanians by delivering the 10-year, \$1.5 billion plan to provide 10,000 new social and affordable homes by 2032. This plan will be supported by a 20-Year Housing Strategy for Tasmania, which will be finalised this year. The Strategy will guide the type of housing Tasmania needs, where it is built, when and for whom. This will ensure that the diversity of housing options Tasmania will need for its changing population, both now and into the future, is planned, supported and delivered.³

Being a new Tasmanian Government entity, the Committee was of a view that it should be open to a preliminary scrutiny to ascertain how it was tracking against its stated key priorities

³ See Department of Treasury and Finance, 2023-24 Tasmanian Budget, Government Services - Budget Paper Number 2, Volume 2, <https://www.treasury.tas.gov.au/Documents/2023-24-Budget-Paper-No-2-Volume-2.pdf>, p. 129

(inclusive of those contained within the Tasmanian Housing Strategy 2023-43⁴ (Housing Strategy) and Tasmanian Affordable Housing Strategy 2015-25.)⁵

The Housing Tasmania Strategy Action Plan 2023-2027⁶ (Action Plan) defines different housing tenures:

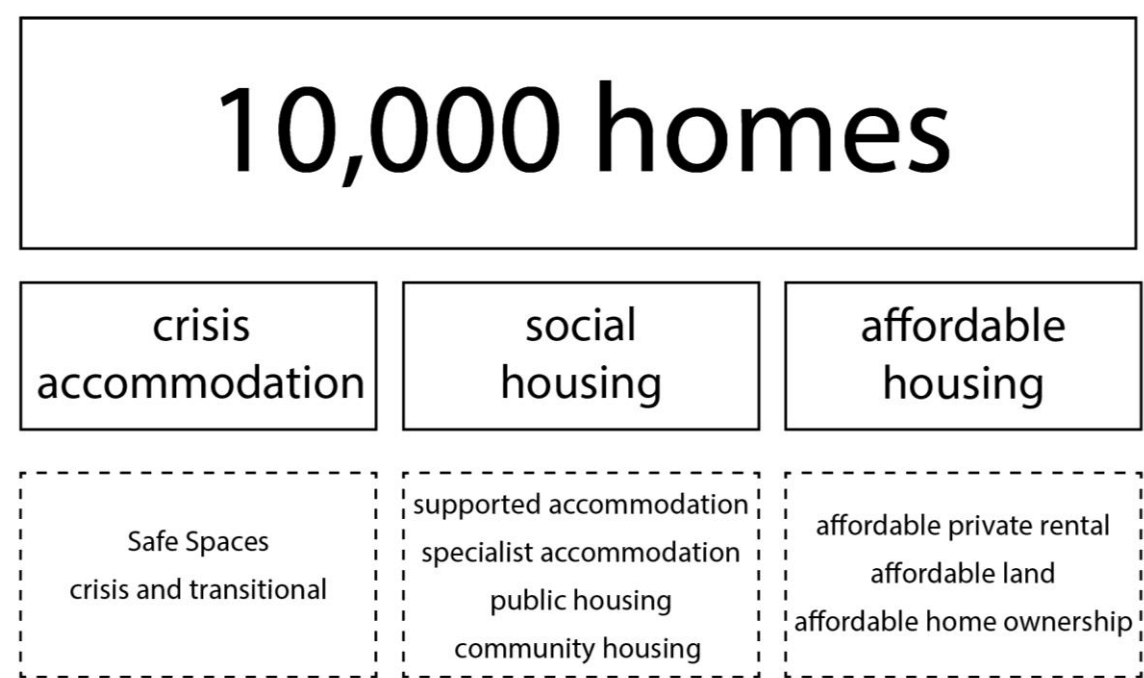
Crisis Accommodation	<p>Temporary accommodation that includes:</p> <ul style="list-style-type: none"> • Safe Spaces for rough sleepers • shelters • transitional accommodation head leased to shelters or Housing Connect support providers • transitional accommodation for exiting prisoners.
Social Housing	<p>Housing for people eligible for the Housing Register that includes:</p> <ul style="list-style-type: none"> • public housing • community housing • Aboriginal housing • Youth2Independence supported accommodation for 16-24 year old • supported accommodation facilities (long term). <p>It also includes supported accommodation for vulnerable cohorts who do not use the Housing Register but would otherwise be eligible for social housing, which includes:</p> <ul style="list-style-type: none"> • specialist disability accommodation • mental health recovery accommodation • homes head leased to the Department for Education, Children and Young People for children in statutory care • residential aged care for Tasmanians experiencing homelessness.
Affordable Housing	<p>Assistance into the private market at or below market value includes:</p> <ul style="list-style-type: none"> • homes head leased from the private market for eligible people on the Housing Register through programs such as private rental incentives and family violence rapid rehousing • models to increase the supply of rentals through programs such as build-to-rent or ancillary dwellings • models to increase access to and supply of home ownership such as the MyHome shared equity program • land release where there is a condition of sale that a dwelling is to be built (private rental or home ownership) within two years.
Out-of-Scope	<p>Other forms of assistance that are supported by the Tasmanian Government but are not counted towards the committed targets include:</p> <ul style="list-style-type: none"> • emergency brokerage assistance into hotels, motels, and caravan parks • private rental assistance that helps with bonds and arrears payments to find and keep private rentals at market prices.

⁴ See in general Tasmanian Housing Strategy - Delivering more homes for a growing Tasmania and ending homelessness (2023-2043), https://www.parliament.tas.gov.au/_data/assets/pdf_file/0029/83369/230265_Homes_Tas_Strategy_document_wcag.pdf

⁵ See in general Tasmania's Affordable Housing Strategy 2015-2025 (September 2015), https://www.homes.tasmania.com.au/_data/assets/pdf_file/0023/256136/AHS_Strategy_Final.pdf

⁶ See Tasmanian Housing Strategy - Action Plan 2023-2027, https://www.parliament.tas.gov.au/_data/assets/pdf_file/0021/83370/230265_Homes_Tas_Action_Plan_Document_wcag.pdf, p.8-9

The table below outlines the types of housing and accommodation that will form the 10,000 homes. The information was drawn from a diagram within the [Tasmanian Housing Strategy Action Plan 2023-2027](#).⁷



⁷ See [Tasmanian Housing Strategy - Action Plan 2023-2027](#), https://www.parliament.tas.gov.au/data/assets/pdf_file/0021/83370/230265_Homes_Tas_Action_Plan_Document_wcag.pdf, p.9

Evidence

At the 9 July 2024 public hearing, Minister Ellis provided the Committee with an overview of the Tasmanian Government's policy commitments with respect to housing under the Homes Tasmania model:

Mr ELLIS - ... Our Government recognises that every Tasmanian deserves a roof over their head, which is precisely why our 20-year Tasmanian Housing Strategy and Housing Action Plan 2023 to 2027, setting out our plan for a safe, appropriate and affordable housing for our State, is such a big part of our agenda. Our Government is committed to establishing the dedicated housing body, Homes Tasmania, which appears before you today, and we did that in 2022. It's now been recognised by the sector as a nation-leading framework.

Our Homes Tasmania framework marked a historic change in our approach to delivering housing for Tasmanians in this State in recognition of the fact that more needed to be done and that different thinking was required. Importantly, we set a clear and ambitious housing supply target of an increase of 10,000 social and affordable homes by 30 June 2032. We've made substantial gains on the delivery of that 10,000 social and affordable homes goal with an increase of 3,422 social and affordable homes as at the latest data on 31 May 2024.

The delivery of 10,000 additional social and affordable homes is further supported by our Government's Housing Land Supply Act 2018, which streamlines the rezoning of land to accelerate the supply of housing in our State.

We're well on track to deliver our significant commitments. However, our Government recognises that more needs to be done. As part of our 2030 Strong Plan for Tasmania's Future, we've stamped out stamp duty with a 100 per cent discount for houses up to \$750,000 for eligible first home buyers. It's saving first home buyers up to \$28,900, making it easier for around 1,500 young Tasmanians to get into the property market. We've also cut stamp duty in half for Tasmanians who buy a new apartment off the plan or under construction up to the value of \$750,000 for two years.

As I've said, we're delivering on our commitment of 10,000 more social and affordable homes by 2032, which is further increasing housing supply, driving the Tasmanian economy and activating the critical, valuable and rewarding jobs in the construction sector.

We're also moving immediately to unlock more affordable rentals by boosting our private rental incentive scheme with an additional 200 homes on top of those delivered. This means backing more Tasmanians who invest in property and more support for renting families with the cost of living. Our private rental incentive scheme unlocks aspiration at the same time, helps an additional 200 households into affordable rentals, with rent being set 30 per cent below median rates. In return investors will receive guaranteed market rent for two years and a fee free property management service.

We're adding a \$10,000 per unit incentive to developers with up to 50 units to get more infill, medium density or high-density units built close to identified key development areas and services. This will importantly incentivise higher-volume, multi-unit developments across the State, encouraging development and residential construction.

We need more houses, more apartments and units for Tasmanians to live in or to rent, and every single one of these measures will turn plans into reality sooner.

We're focused on delivering key worker accommodation to increase the supply of affordable rentals for people who provide essential services in our cities and towns and our regions. I can announce to the Committee today the first of our key worker accommodation sites, which is a 24-unit development in Punchbowl in Launceston. This site, which will be provided under a head-lease model to the Department of Health, will house essential staff from the Launceston General Hospital. This site will importantly provide fit-for-purpose accommodation for key health workers while at the same time freeing up properties to return to the broader market, helping with housing supply. This is a fantastic initiative and is just another innovative example of how our Government and the new Homes Tasmania model is working across the full spectrum of housing needs in our State. ...⁸

Homes Tasmania Future Focus

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas (Chief Executive Officer, Homes Tasmania) with respect to Homes Tasmania future land holdings:

Mr EDMUNDS - *I want to ask about Homes Tasmania's strategic thinking, future focus. We talked a bit about Huntingfield last time, but what about when there is potential land coming on side. An example on the eastern shore would be Skylands, or Droughty Point. I think that's 2,500 lots. Do you think, 'Okay, there's an opportunity for us here'? What work goes into thinking about the future around providing housing stock?*

Mr ELLIS - *One of the great things about the Homes Tasmania model is that there is so much more flexibility for us to be able to make quick decisions in the market. We have seen that in another area in terms of our key worker accommodation. For example, our ability to buy up short-term accommodation in Punchbowl in Launceston has meant we are able to house key healthcare workers for the Launceston General Hospital (LGH). The 19 properties that are then freed up can go back into long-term rentals around the market. ...*

Ms MORGAN-THOMAS - *I think we would be brave to say that we were going to buy something in that development at the moment because any time we say that, that flags interest to the market. We would not want to do that. But I do know that Mr Gilmour and his team are looking all across the State all the time for land ...*

...

⁸ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.2

Ms MORGAN-THOMAS - We would not typically buy a single lot. That would not be a cost-effective way to do it. We are a developer in our own right and will want to act like a developer in that regard. We get a lot of unsolicited proposals, it won't surprise you, and we look at those when they come across our desk.

Mr EDMUNDS - But is there like a 10, 15, 20-year plan looking at where, in that case, urban growth or even things like the UTAS land potentially becoming available in the decades to come, do you view that through a strategic lens?

Ms MORGAN-THOMAS - Yes, we do. Our priority is urban infill rather than on the fringes, because of density and those - but we also, we are a substantial landholder ourselves. A lot of our opportunities are to redevelop our own standings. We have a fairly long pipeline of land available to us in our current pipeline of lots that we've acquired through various means. They're our future pipeline of where we will build.

Mr ELLIS - ... And some of our most strategic opportunities, I suppose, when we're talking about that long term is estate renewal. Obviously, back in the day, there were large broadacre estates built on the fringes of urban areas in Tasmania. That set up a whole raft of challenges, as everyone here knows. The opportunity for estate renewal is, in my view, and certainly in discussion with Homes Tasmania, one of the major opportunities we have by providing a greater mix, greater density and also other amenity opportunities in some of those estates. We think that's a huge strategic opportunity for more homes and better liveability for people in those suburbs that have previously been broadacre housing estates.

Mr EDMUNDS - Back to your previous comment, in talking about infills, a prospective project like UTAS would be more attractive than, say, Skylands?

Mr ELLIS - We've been pretty clear regarding the legislation that we're looking to bring in regarding UTAS that we want the university to focus on educational infrastructure. You may have a different view, Mr Edmunds. We want Homes Tas to be focused on housing infrastructure.⁹

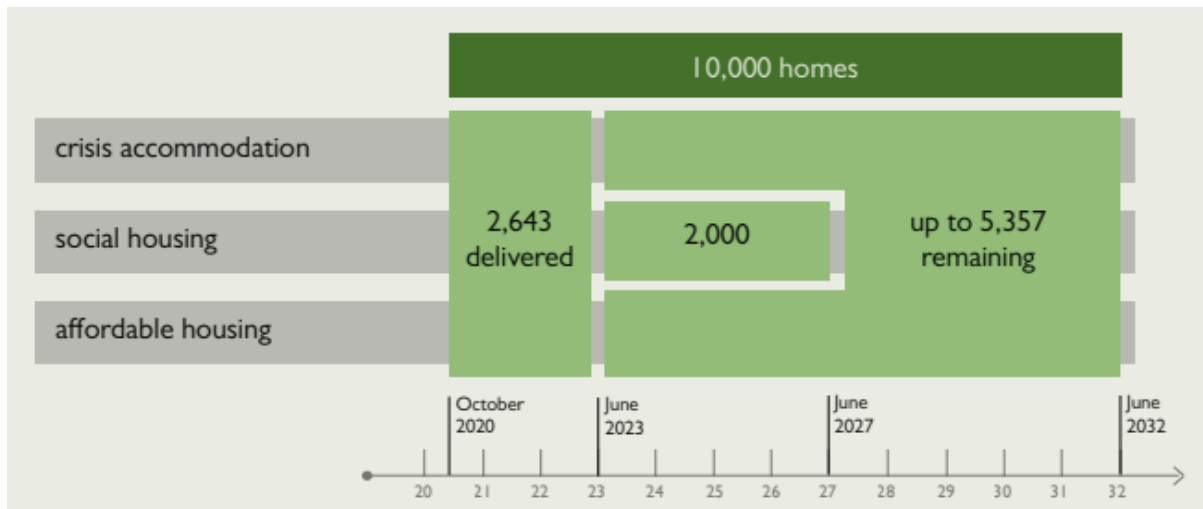
Funding of 10,000 social and affordable homes

The Action Plan tabled by Minister Ellis states:

Between 1 October 2020 and 30 June 2023, a total of 2,643 social and affordable homes have been delivered towards our target of a net increase of 10,000 homes by 2032 ... By 30 June 2027, of the 7,357 remaining homes, we will deliver a mix of 2,000 social housing homes and more affordable homes and crisis accommodation.¹⁰

⁹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.22-23

¹⁰ See [Tasmanian Housing Strategy - Action Plan 2023-2027](#), https://www.parliament.tas.gov.au/data/assets/pdf_file/0021/83370/230265_Homes_Tas_Action_Plan_Document_wcag.pdf, p.11



At the 9 July 2024 public hearing, the Committee heard from Minister Ellis, Ms Morgan-Thomas and Mr Rod Fazackerley (Principal Financial Officer, Homes Tasmania) with respect to how the State Government envisaged funding the houses under the Housing Strategy:

Ms O'CONNOR - ... Minister, how is the Tasmanian Government funding the \$1.5 billion needed to construct 10,000 new homes by 2032?

Mr ELLIS - It happens through a range of different measures. And importantly, one of the key changes that's happened with Homes Tasmania is that we've opened up the delivery model across the broader spectrum. Whereas previously we had quite a narrow remit in Housing Tasmania, we've been able to open that up further. We have, for example, a strong focus on affordable housing as well as social housing because we know that the interplay between those sections of the market is important. There's a range of different funding models that we use - a range of different approaches - so.

Ms O'CONNOR - What are they?

Mr ELLIS - It depends in many ways in terms of what we're looking to deliver.

For example, if we're delivering affordable homes, a key part of the funding model of that in essence is our ability to sell those homes. That can be through a range of different areas. MyHome program is obviously key as part of that, but also sales to market. There's also our approach when it comes to social homes and that's obviously a different model that we take.

Ms O'CONNOR - And what is that model? I'm just trying to understand. What pool of funds, how does Homes Tasmania access the funds to build 10,000 new homes? Just break it down quite precisely, if that's okay?

Mr ELLIS - Yes, absolutely. We've got the ability for Homes to borrow. That happens through a government facility. That enables Homes Tasmania to build those homes but because we've got that spectrum there's a range of different ways that we fund and that we pay for these models...

Ms MORGAN-THOMAS - ... The access to debt allows us to unlock some other things. We have put in a number of applications for the Commonwealth funding through the Housing Australia Future Fund, which we will hopefully find out in August [2024]. In that we're proposing a number of things: that we will use Government debt for the construction and development phase of those - that's available through TASCORP (Tasmanian Public Finance Corporation). And then because the Commonwealth money comes with a 25-year availability payment, which meets the cost of capital and interest, we would then move into a credit-financier loan arrangement, probably with TASCORP. But the option there is to do it with other providers with the approval of Treasurer. The use of the debt will unlock that money. That's one example.

Another one we're looking at is how we can stand up a build-to-rent model, which would have Homes Tasmania taking some of the development risk and then working with infrastructure funds, super funds and things like that to have a long-term management model of that.

Ms O'CONNOR - ... Would it be fair to say that all or the majority of social housing that's being funded by Homes Tasmania is funded through debt, through borrowings?

Mr ELLIS - I think Ms Morgan-Thomas mentioned there is a range of different ways that we do that. So, whether that's unlocking grants, whether that's payments that are coming from the Government through the general account, whether that's borrowings through TASCORP, there's a range of different approaches that are used. Part of what's attractive about this model is that the housing market has broadly in the country a complex and mature financial market behind it and there are opportunities for us to take advantage of that for the benefit of Tasmanians who are doing it tough.

Ms O'CONNOR - ... So, in the budget papers of last year, it shows that borrowing costs for Homes Tasmania will increase from a bit over 11 in the 2023-24 financial year to more than \$23 million in 2026-27. So, there's this very significant debt burden that'll be now placed on Homes Tasmania. It's a bit like, we've got rid of the Commonwealth state housing debt and that's a good thing, but now we're loading up our housing provider that's primary purpose should be social housing with massive debt.

Mr ELLIS - I suppose there's a range of different things in your question there, Ms O'Connor. I'll start at the back end and work forward.

Homes, we agree, absolutely has a key role in terms of social housing, but it's much more than that. One of the things that has become quite apparent in Tasmania's housing market is the need for us to do more across the spectrum, because if we haven't -

Ms O'CONNOR - That's been understood for a while.

Mr ELLIS - You said that its primary focus should be social housing. We're saying its focus needs to be more broad because there are opportunities because people's arrangement - there's a lot between a mansion in Sandy Bay and a social home -
...

Mr ELLIS - and the ability for people to find a roof over their head. We think that there are opportunities for the Government to play a meaningful and targeted role through that spectrum.

...

Mr ELLIS - ... Broadly speaking, the new Homes Tasmania model enables us to focus on a broader part of the housing market to provide support for more Tasmanians depending on the part of their life cycle and their financial arrangements, and also for us to be able to unlock new sources of funding and capital, which is really exciting. It's been a big part of why we've been able to deliver 3,400 social and affordable homes towards our 10,000 target and we think that there are even more opportunities to come.

...

Ms WEBB - I want to go back to drill down a bit more into the breakdown of what it looks like proportion-wise across those different ways that you are drawing down funding. You mentioned borrowing through the Government facility and Federal grants - or Federal funding through the Australian Future Fund.

We know from the budget papers, as the Member for Hobart mentioned, that we're going to end up in 2026-27 with the \$23 million-plus of borrowing costs. Can you give us a proportional - what are you expecting to - in terms of funding for the builds that are happening - what's the breakdown across those different sources?

Mr ELLIS - I pass to Ms Morgan-Thomas and her team to provide further detail on the breakdown. I think it's also important for us to note obviously that that borrowing to build assets is what we're doing in this space as well. Like many people when they think of their household budget, their mortgage, is borrowing for an asset, which is a good asset. It provides a long-term service to their family or a long-term return in terms of an investment. We think that those are good and prudent uses of taxpayer funds and appropriate debt servicing models ...

Ms MORGAN-THOMAS - At the time that the budget papers were written, Homes Tasmania had been in existence for seven months and I had been there for three of those months, I think, so it's fair to say our strategy is evolving.

As we are looking towards what comes out of the Commonwealth, we know through the Housing Australia Future Fund that Tasmania is guaranteed at least 1,200 properties over five years and we know that we are one of the bidders, but also community housing providers are able to bid. We are joined in a couple of their bids but not all of them.

We know that across what got bid in round one was around 1,200 – 1,300 properties - that we're aware of. We don't know how many of those will get funded. We would expect that one-fifth of 1,200 would be funded, but that sort of depends on how much money the Commonwealth has got. And knowing that will really change some of our thinking and we'll get a better idea of what the future there is. Because in those cases, as I mentioned, we need debt for the development stage and with some of the community housing providers, we will work with them to support their development stages as well. And then at that point when development is finished and tenants go in, you refinance and pay that debt back.

We're looking at how we can revolve capital so that we're making the maximum use of the funds that are available to us through the Tasmanian Government to build something bigger and get ongoing income streams, which is what the Commonwealth thing is proposing to do. The Commonwealth's not funding any of the actual build. All their funding is the ongoing ownership of those things.

I understand that model really well because it's based on the social and affordable housing fund that I designed and implemented in New South Wales. I'm really confident about how that stacks up and I know that any capital that the State Government has in it is largely the existing land that we own that we put in some of the bids.

We don't know how those are going to go. We'll know in August [2024]. I can guarantee that we won't get everything we bid for because you go into a big pool. We do know that Tasmania is guaranteed 1,200 over five years. Anything that doesn't get up in Round One we can refine and put up in Round Two. There's that.

We also know that we are using some of our capital to develop land that we have access to. Huntingfield is a good example of that and when that comes on, 15 per cent of that will be retained for social housing - but Homes Tasmania, as we have done in the past, will act as a land developer for the rest of it. In that case, some of those will go to shared home ownership, some of them will be sold on the private market progressively. We're mapping all that at the moment.

We have other developments that will come on. There's one in Penguin that's currently out for advertisement and other smaller ones such as Technopark, that Ms Armitage will know about.

All of those things will come into our strategy and we will be using the land there to partly deliver social housing, and also to deliver other affordable housing options. So that means out of all the things that we're doing, we want to get a build-to-rent structure in so that we can have institutional ownership of a private rental product at scale across Tasmania. Now that's not a thing that other state Governments are doing, but it's a thing that we will have the ability to do in order to bring in tenure mix into things. So, like Huntingfield, I would hope that we would have some long-term rental in there, because that's a thing that we've got to work out how to finance it. We probably would own the land. We're still working through some of those things. We would have an institutional investor owning a build-to-rent product, which is a thing they are very keen on. We're still working on how that will be. But that's a commitment in the action plan for the strategy to do build-to-rent.

The capital stacks for all these things are going to be different depending on what they are, and it's still a work in progress to work out quite - I know you're asking for percentages.

Ms WEBB - *Well, let's put it a different way. I'm looking for a proportional understanding of where the lending and the funding is coming from. When we look at the budget papers telling us that in 2026-27 there'll be 23 million-plus in borrowing costs -*

interest payments essentially - who will we be paying that \$23 million to - proportionately - is the modelling telling us now?

Ms MORGAN-THOMAS - *The interest payments in there are to support the TASCORP debt.*

Ms WEBB - *That's just TASCORP?*

Ms MORGAN-THOMAS - *Because when that was developed, that was the -*

Ms WEBB - *So we haven't factored in other lenders and borrowing costs for other lenders into that at this stage?*

Ms MORGAN-THOMAS - *No, and I think it's highly likely that TASCORP will be the preferred lender for Homes Tasmania. If we have institutional investors in there, I'm not envisaging that would be a debt relationship. That would be an equity relationship.*

Ms WEBB - *Can I ask Minister, so these forward Estimates that we're looking at in the budget papers, are they firm? I know it says that they're only an expected interest cost. So where did those figures arrive from then if we've not really got a high level of understanding of where we're going to be borrowing money?*

Mr ELLIS - *This is a broader question about Budget Estimates and the preparation of budget papers. Obviously Budget Estimates are an estimate of the future and Treasury's estimates as they work through them.*

...

Mr ELLIS - *... I don't think any Treasury official would say that their forward estimates are a perfect crystal ball of the future, but an attempt to map out the years ahead - just as we all need to do in a range of different settings.*

One of the other things about the early budget papers, and particularly it's important for this Committee to note, is that these budget papers were designed at the very beginning of Homes Tasmania's journey. As the model continues to grow and evolve over time, as we bring in new capability within Homes Tasmania in terms of those other options, and as Ms Morgan-Thomas mentioned before about Federal Government funding streams, as those continue to change and evolve too, and we take advantage of some of the opportunities that there are, then of course those numbers will change.

The other thing is working through the different economic cycles as we go through. I'll probably flag to this Committee, and I've said in other forums, I think that there's a big opportunity for Homes Tasmania to play a counter-cyclical role in our construction market. Where work may be quiet in the construction and homes sector for a period of time, Homes Tasmania may have an opportunity to do even more work in that space so that we can continue to support our construction market, our builders, our sparkies, our plumbers, others - depending on the economic cycle at the time. That model is something that we're working through, but the estimates that are provided by Treasury - as far as a range of different factors that we need to take into account. The future can't be known perfectly, but we take a best estimate and we work through that.

It's probably also worth noting that one of the things that we need to be able to do in this space is be a bit more nimble to the changing requirements of the future.

For example, we see a greater desire for young people to become homeowners. How can we potentially support that and the choices that they're making? Some of the work that we're doing in terms of medium density in-fill in Tasmania; we've actually had quite a low demand or certainly a low delivery of medium density dwellings in Tasmania generally. Hobart stands out as somewhere that you would have thought we'd see more. We haven't. We suspect that those choices will probably change from Tasmanians in the future and certainly there's good reason for that to happen as well - being closer to services, transport and a whole range of other things.

*As people's choices and preferences change, we need to be able to change and adapt with that ...*¹¹

...

Mr FAZACKERLEY - ... as the Minister said, the debt projections are preliminary ones that Treasury put in at the commencement of Homes Tas. They were clearly done with an expectation that they would be revisited particularly post the development of the strategy. At the time the estimates were put in, the strategy wasn't in place and the debt servicing figures you've mentioned were based on those estimates. The estimates which are inherent in the budget papers which you can see show that there is a cumulative debt commencement with a \$23.3 million in 2026-27. That relates to a cumulative debt at that point of \$457 million.

Now that is very much an estimate, as we say, and our borrowing is subject to annual approval by the Treasurer, of course, so as we roll through the program, and as Ms Thomas and others have mentioned, things like the HAFF program, the Commonwealth program, we won't know the outcome for another month of that. Other Commonwealth programs come on board, sales will come on board through Huntingfield and other areas, so there's a little bit of fluidity in the program as it fleshes out and it will obviously change as we go through the years. But at the moment those forward estimates here are based on a \$457 million borrowing profile at 26-27.

Ms O'CONNOR - ... so that's close to a half-billion dollar debt that will be sitting on Homes Tasmania's books.¹²

At the 2 August 2024 public hearing, the Committee was provided an update as to when Homes Tasmania expected to be informed of the result of the Commonwealth HAFF funding offset:

Ms O'CONNOR - ... I'm just wondering if there's an update on the application for Commonwealth funding?

...

Ms MORGAN-THOMAS - We've been told by the Commonwealth that we can expect to hear ... either individually or collectively in August [2024], so, we're waiting for that

¹¹ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.3-8

¹² See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.13

with bated breath. My experience from other Commonwealth funding programs is that you find out when you find out. We have just had a change of Minister at the Commonwealth level. I don't know if that is an impact.

Ms O'CONNOR - *Thank you very much. So, there's been no indication from the Commonwealth, other than that you'll hear in August, about what Tasmania might receive?*

Ms MORGAN-THOMAS - *Yes, that's a national message to all applicants. I do know that they were significantly oversubscribed.*¹³

At the 9 July 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to the cost of completing the 10,000 homes under the Homes Strategy:

Ms O'CONNOR - *I just want to unpack some of the projections and assumptions around being able to build 10,000 allegedly new homes by 2032 for \$1.5 billion. That averages out to a cost of about \$150,000 per home but when you have a look at the Commonwealth's social housing accelerator program, the Tasmanian Government's committed to building about 130 new homes at a cost of \$485,000 per dwelling. So, it is nearly three times as much as what the Commonwealth understands it will take to build a new home. Where did that number come from and has Housing Tasmania done any modelling on how you could build 10,000 homes by 2032 for \$1.5 billion given the rising cost of materials, housing and construction?*

Mr ELLIS - *As I mentioned earlier, Ms O'Connor, there's a range of different ways that we're looking to deliver 10,000 social and affordable homes. There are different costs that relate to the different parts of the model that we're looking to deliver. For example, if you're looking to deliver a hardened home for someone who potentially has quite a number of challenging behaviours or someone in supported disability accommodation, that home to deliver is significantly more expensive than, for example, the overall total cost that it might take to deliver an affordable home that you then sell to a general consumer in the market on a lower income.*

Ms O'CONNOR - *You still have to build the home, Minister. With respect, you're still committing to investing capital in the construction of new homes and your projections are that it's going to cost Homes Tasmania on average \$150,000 per home. Even if you squash some of your build up to make it sort of more dense and cheaper to build, you've still got this huge differential between what the Commonwealth and the State understands it'll cost to build a new home under the Commonwealth grant and what your Government is promising it can build for.*

Mr ELLIS - *What I'm trying to communicate there, Ms O'Connor, is say for example, in the affordable part of the market where you sell a home to a private buyer that may be low and middle income. It may cost you, let's say \$400,000 to build that and then you sell it to that person for around the same so the actual total cost to the budget is actually not*

¹³ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.6

very much at all. Because we're looking at a spectrum of housing options, the actual total net cost can be quite different: right up to extremely costly, but very much worthwhile for people with very high needs, right down to quite a low net cost to people that are actually able to buy the property themselves. ...

Ms O'CONNOR - *It's just a three-time cost differential between what the Commonwealth understands it takes to build and accepting what you say about the spectrum. It's a massive differential.*

Mr ELLIS - *It's 10,000 social and affordable homes and you spoke about land release before, which is part of that 10,000 as well. ...*

Ms O'CONNOR - *And the confidence in that figure, given that it's public money, that'll be paying off the debt it'll be saddling Homes Tas with.*

Ms MORGAN-THOMAS - *The cost to build those homes is different to what the cost to Government will be, and I think that's the point the Minister was trying to make. When I talked about how we want to lay our capital build and capital stack and things like that - and a good example is the Housing Australia fund - the State investment in that will be during the development stage. Say it costs us \$10 million for whatever: when the Commonwealth HAFF (Housing Australia Future Fund) funding comes in, we refinance, so we pay that back. So actually, the cost to the Tasmanian Government of whatever we build with that \$10 million is zero or it's probably the cost of interest for two years at best.*

CHAIR - *That's not zero.*

Ms MORGAN-THOMAS - *That's not zero, but it's TASCORP, so thankfully we know what that interest cost is. The actual cost is just the cost of interest during the development stage and any of the things that my team needs to do to organise it.*

After that though, that's Commonwealth money and it's fully funded and paid so it's not the cost to the Tasmanian Government. A lot of our plan is about how do we leverage the funds that we have available to us to be able to trade some of those things commercially if we're doing a development like Huntingfield where some of that revenue will come in: we're not going to give the blocks away. That will be revenue that will stay within Homes Tasmania and be available for other housing. It's about debt repayment and how we think commercially about those. It is the same with the shared home ownership when those people do eventually refinance, which a fair proportion do after a number of years. It has slowed down a little bit at the moment because of interest rates, but those funds come back into Homes Tasmania and are able to be used for other things.¹⁴

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis, Ms Morgan-Thomas and Mr Fazackerley with respect to borrowing costs and arrangement on debt funding for Homes Tasmania:

¹⁴ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.32-33

Ms O'CONNOR - ... Can I establish, as a first thing, is Homes Tasmania's stock the equity that it uses in order to borrow through TASCORP?

Mr ELLIS - We certainly have a very large balance sheet, particularly with the more than 14,000 social homes around Tasmania, although we are a portion of that. ...

Ms MORGAN-THOMAS - No, it's not secured against the balance sheet.

Ms O'CONNOR - ... What is on the balance sheet that enables Homes Tasmania to borrow significant sums of money through TASCORP?

Ms MORGAN-THOMAS - It's secured through a Treasurer's Guarantee. That should have been clear in the budget papers in one of the notes, but Mr Fazackerley might want to expand on that a little bit.

Ms O'CONNOR - How does it work?

Mr FAZACKERLEY - ... The ability to borrow as such is through section 30 of the Homes Tasmania Act 2022, which provides that Homes Tasmania can borrow from TASCORP, or from other persons if the Treasurer approves. Section 32 then provides that Homes Tas can borrow up to the total of amount authorised by the Treasurer. The Treasurer sets an annual borrowing limit, if required, then we go to the TASCORP Board, and then, if required, through TASCORP, which typically it is, the Treasurer provides a guarantee for that funding.

Ms O'CONNOR - The Treasury is the guarantor, in more user-friendly terms, for that funding?

Mr FAZACKERLEY - Correct.

Ms O'CONNOR - ... What do we understand to be the total value now? I understood from what the CEO said before that there's a valuation process underway now. As at the last valuation, what was HT's stock valued at?

...

Mr FAZACKERLEY - ... As you'd appreciate, financial statements for the current year, 30 June [2024], aren't quite due yet and we're still working through that. We've just received valuation advice from the Valuer-General. I don't have that with me. Our most current figures are those in last year's financial statements ...

Ms O'CONNOR - But probably likely to see a significant increase in the value of the -

Mr FAZACKERLEY - We typically see an increase each year anyway, but this year, yes, we will see an increase. We've around \$4 billion on the balance sheet last year. We'll see an increase to that this year when the statements are released ...

Ms O'CONNOR - ... And that includes, obviously, community housing provider properties also?

Mr FAZACKERLEY - Are owned by the State, yes.

Ms O'CONNOR - Owned by Homes Tasmania. When you go to the budget papers and you have a look at the borrowing costs on page 133 of Homes Tasmania. In 2026-27, the borrowing costs for HT will be a bit over \$23 million. Then there's the footnote that says the Government can help. In footnote 2, the Government expects to help Homes Tasmania meet its borrowing costs. Does rental income contribute towards meeting the borrowing costs? Is this a direct subsidy from the State that goes towards paying off the borrowing costs or how does it work?

Ms MORGAN-THOMAS - It's a direct sub-rate. Rents aren't supporting, no, aren't supporting the debt repayment. There's an alignment between what we have - what the Treasurer is prepared to guarantee - that amount and then we are fully reimbursed for the interest payment on that.

Ms O'CONNOR - ... In the borrowing costs here, every one of those costs is met by the public account?

Ms MORGAN-THOMAS - Yes, it comes through the appropriation that gets to us.¹⁵

Short Stay Levy and Stamp Duty for First Home Buyers

The State Government exempted the requirement for first home buyers to pay stamp duty on properties valued up to \$750,000 (from 18 February 2024 to 30 June 2026).¹⁶

The Tasmanian Liberals stated as part of their 2024 election commitments the introduction of a five per cent levy on short stay properties. The commitment stated the levy would raise around \$11 million per annum, 100 per cent of which would go directly to assisting first home-buyers to buy their first home.¹⁷

At the 9 July 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas as to the reasons why this Government policy was pursued:

Ms O'CONNOR - What about regulating short stay?

Mr ELLIS - We took to the election a plan to put a levy on short stay. That's part of our funding arrangements for stamping out stamp duty, which I mentioned before, so that we can receive a return from tourists who come to our beautiful state and stay in short-stay accommodation. We'll use those funds to unlock the ability to stamp out stamp duty for first home buyers. We think it's a great example. We think that's a great opportunity for young Tasmanians to unlock the opportunity of home ownership ...¹⁸

...

¹⁵ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.29-30

¹⁶ See Media Release, Hon Nic Street MP (Minister for Finance), [Stamp duty abolished for first home buyers](#) (3 July 2024), https://www.premier.tas.gov.au/site_resources_2015/additional_releases/stamp-duty-abolished-for-first-home-buyers

¹⁷ See Media Release, Jeremy Rockliff and Nic Street, [Making it easier for Tasmanians to own their own home – new Short Stay Levy](#) (18 February 2024), <https://tas.liberal.org.au/news/2024/02/18/making-it-easier-tasmanians-own-their-own-home-new-short-stay-levy>

¹⁸ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.5

Mr EDMUNDS - ... You were talking earlier, and the Member for Hobart asked as well, about the suite of policies that we've dealt with in the Parliament recently, including the stamp duty waiver for first home buyers -

Mr ELLIS - which I think Labor supported.

Mr EDMUNDS - We did. But I guess there was quite a long debate, certainly in the Legislative Council, about the two bills as they went through ...

...

Mr EDMUNDS - ... One thing we did talk a lot about was the fact that there were the positives: the spending and the relief and that's good for first-time buyers. But when the policies were announced during the campaign, they were side by side with the short-stay levy that you spoke about. In that debate we were informed through the Leader that the Government will be watching how things go in Victoria. Is that correct? Is that still the case around the short-stay levy?

Mr ELLIS - ... Ultimately, obviously, we looked to other jurisdictions around these things. Victoria has a higher rate than we've proposed. ... but broadly speaking, we're intent on delivering that policy to Parliament and we commend the members here. That will be an important policy, noting of course that it's also strongly linked to the policy to stamp out stamp duty for first home buyers, which will unlock the opportunity for home ownership for more Tasmanians.

...

Mr EDMUNDS - I just wondered when we might expect to see that.

Mr ELLIS - I'm aware that the Minister responsible for that policy will be working through it and no doubt looking forward to delivering it as soon as possible.¹⁹

The Committee notes that, at the time of reporting, the election commitment on a short-stay levy has not been delivered.

Housing Built under Fast Track Land Supply Orders

After the 2018 Housing Summit, the Tasmanian Government announced several medium- and long-term solutions to address housing supply. One medium-term measure was for the Government to introduce legislation to fast-track the rezoning of Government land suitable for residential use for affordable housing. Legislation aimed at fast-tracking Tasmanian housing development on Government-owned land passed the State Parliament in 2018.²⁰

At the 9 July 2024 public hearing, Minister Ellis and Ms Morgan-Thomas provided an update on how many houses had been built to date under the fast-track legislation:

Mr EDMUNDS - ... how many homes have been built from the fast-tracking of the housing land supply orders?

¹⁹ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.8-9

²⁰ See in general *Housing Land Supply Act 2018*, <https://www.legislation.tas.gov.au/view/html/inforce/current/act-2018-008> and *Housing Land Supply Act Information Sheet - September 2023*, https://planningreform.tas.gov.au/_data/assets/pdf_file/0010/724861/Housing-Land-Supply-Act-2018-Information-Sheet-September-2023.pdf

...

Ms MORGAN-THOMAS - ... there are six homes that have been built, 16 under development of homes. What we are doing is, when you get land, you generally have to rezone it and then subdivide it. You can't subdivide it overnight.

CHAIR - There's no fast track.

Ms MORGAN-THOMAS - There is a fast-track uncertainty that comes with the housing land supply orders, which means that things come out the other end and then we're able to develop them and subdivide them and do all of those things, which we are doing. So, we have a lot of subdivisions underway and all of those things, and the next step is to build. Some of those have gone into our Housing Australia Future Fund submissions, so we will then have a pathway if those are funded. But we are working on all of them anyway, regardless of what the funding source is.

Mr ELLIS - ... we've got some information that might help supplement that data. To date we've had 16 housing land supply orders that have been submitted to the Minister for planning, myself, on behalf of Homes Tasmania, with 12 of those completed now - rezoning land in Rokeby, West Moonah, Newnham, Devonport, Huntingfield, Park Grove, Romaine, Warrane, Howrah, Chigwell and Ravenswood.

This comprises over 107 hectares of underutilised Government land that will now provide much-needed land for residential development, including social and affordable housing. And subject to subdivisional approval, the rezoning of the land could theoretically create 818 additional lots for housing, with projects all now in various stages of planning and building approvals. The first homes are now delivered in Newnham, as we mentioned, and many more in the pipeline.

The ongoing analysis of 78 hectares - we've done 107, this is 78 - potentially suitable for housing land supply orders are in Ravenswood, Norwood, Rocherlea, George Town, New Norfolk, Rokeby and Brighton. And I note that one of those housing land supply orders I mentioned earlier is currently before your Chamber in terms of Kings Meadows, so it's 108 lots.

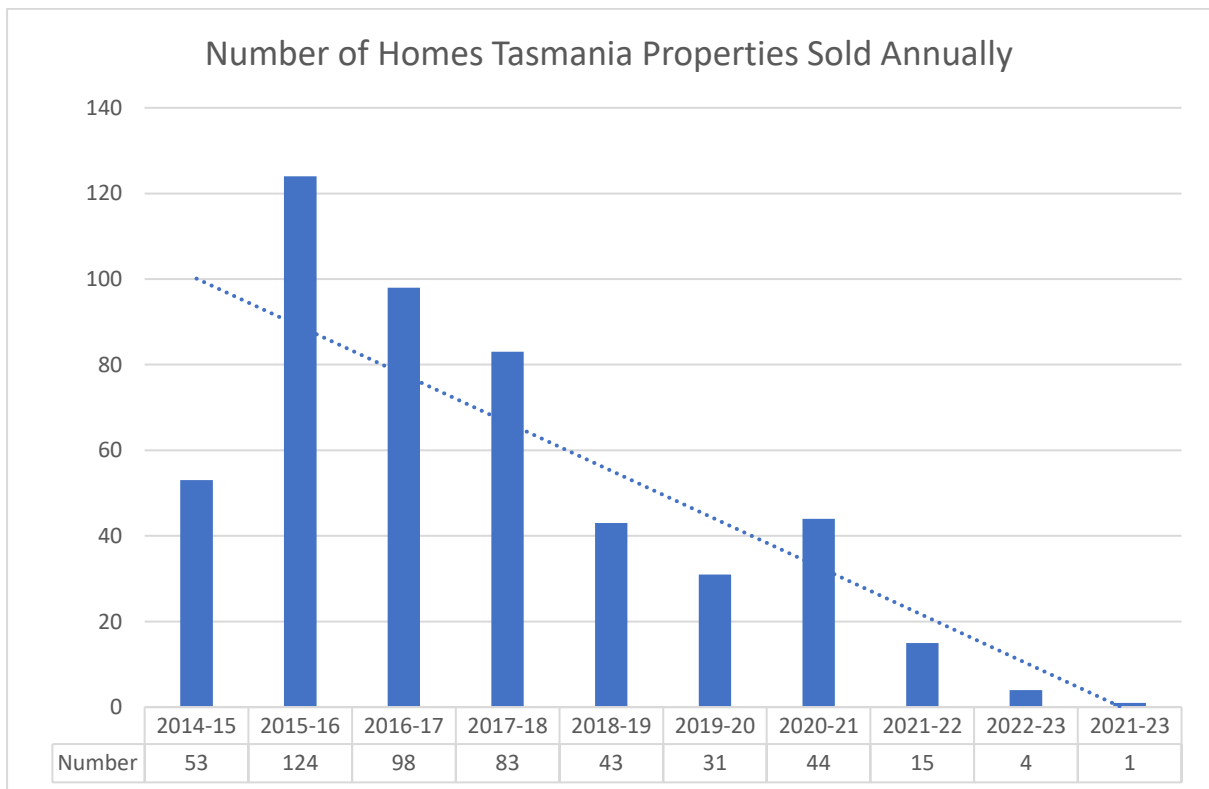
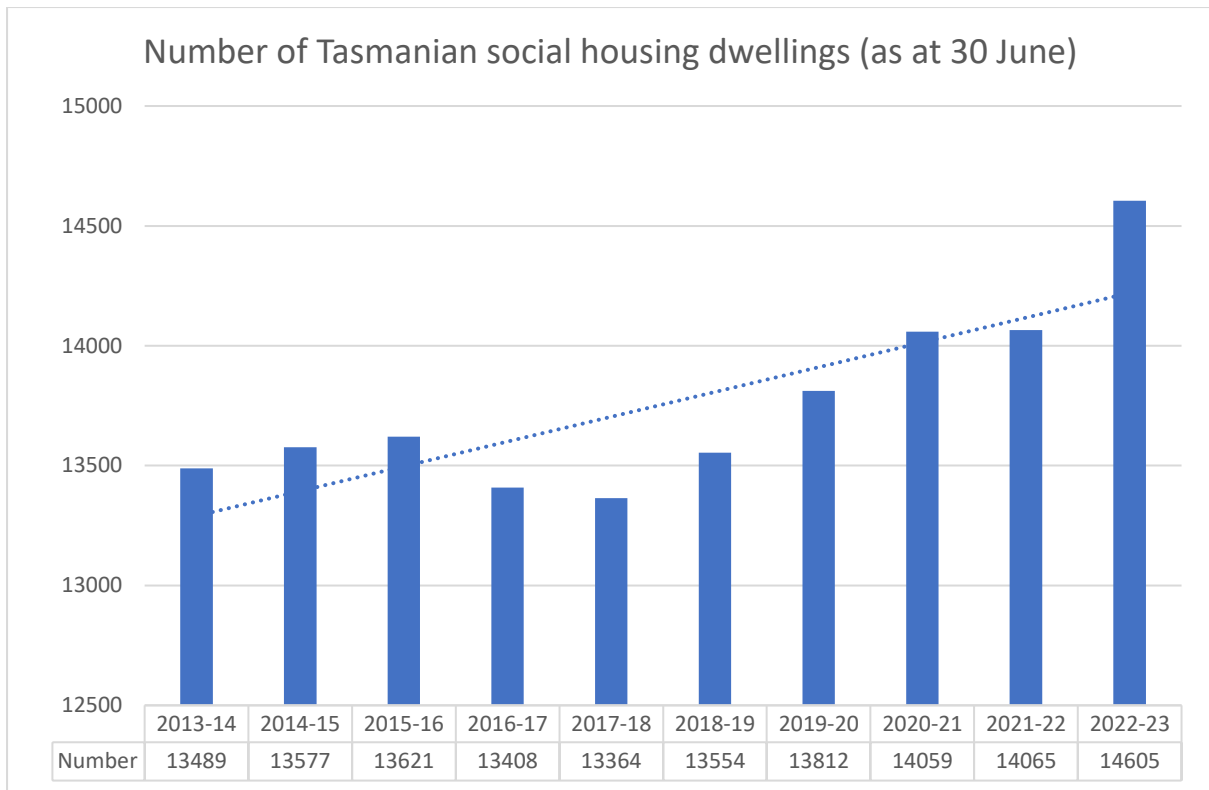
Mr EDMUNDS - So just to confirm, the total number of houses built is still six.

Mr ELLIS - I think Ms Morgan-Thomas has already answered that and we are expecting a pipeline of about 800.²¹

Minister Ellis provided the Committee a response to the following questions on notice with respect to the total number of public/social housing properties in Tasmania, and the total number of Homes Tasmania properties sold on an annual basis, for the period 2014 to 2023.²²

²¹ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.9-10

²² See [Letter from Hon Felix Ellis MP to Chair dated 23 August 2024 – Response to QONs](#)



The Committee heard further evidence with respect to the apparent lag between rezoning land and actual builds:

Ms ARMITAGE - ... Just with regard to the timeline for these: obviously you said the majority have been rezoned. If we go with Technopark, for example, has that been rezoned yet or is it some of the process -

Mr ELLIS - It's still currently sitting in your house so there's one more day of disallowance.

Ms ARMITAGE - Oh, disallowance, yes, but with the Launceston Council I know there has been a considerable amount of submissions that have come - so just a time line of how long it will take before these blocks are available for sale and for Homes Tas to start building some of their homes.

Mr ELLIS - I might speak in general terms because it can sometimes be difficult to know in terms of the particular approaches that Councils take ...

Ms ARMITAGE - To explain what I'm after is, it's great that we've got this in process, but it's obviously not going to be tomorrow that the properties are going to be sold and started.

How far down the track or how long is it going to take before we get some houses built - and I understand we have some that are started and six that have been built - but how long before a lot of these larger developments are actually underway and the properties are available for sale? ...

...

Ms MORGAN-THOMAS - Speaking generally, it does take time, but there are a lot of considerations that we have to do and we are a model developer. We need to go through the right process. We need to make sure that there are environmental considerations that are covered, that social considerations are covered. It's going through the process properly, which you need to do for any development.

Ms ARMITAGE - Absolutely, but I'm trying to understand the time line. Are we likely to see anything started in 2025 or are we looking at 2026? I'm just trying to get an idea of time line. My understanding with Technopark is it could be at least 2026 before something's happening. Can I get some indication of which year, for a start?

Ms MORGAN-THOMAS - I think you would be unlikely to see a house in 2025 based on where we are now. We're in July [2024]. There's a logic to these things. You need the planning. You need to be able to do the subdivision. Then you need to do individual lots. The subdivision hasn't happened yet.

Ms ARMITAGE - And some of the others that we've had orders on. I appreciate that. That's what I'm trying to get an understanding of.

Ms MORGAN-THOMAS - Maybe I can talk about Huntingfield because that's been a longer process. Where we are now is in a discussion with [Kingborough] Council. The

first part of the subdivision has been done and we have approvals for all that. But there's a lot of things we need to sign off. That is a big development. That's around 470 units. There's a lot you have to do. You have to build roads, you have to make sure there is sewerage, water, power, infrastructure, all of those things. We're working with Council on some of the final agreements before we do that. We are hoping that we'll be able to have lots in the market by the end of the year. But it is a bit dependent on things. In that case, we spent a fair bit of time working through some environmental protection issues with the Commonwealth Government to protect threatened species and remediation of land on part of land. And we need to do those things properly and make sure that we do it right. It does take time unfortunately. I want everything to happen tomorrow, but I also know that it's really important that we do it properly and we don't cut corners.²³

At the 9 July 2024 public hearing, the Committee heard from Ms Morgan-Thomas of a new initiative in establishing a panel of pre-qualified builders from which Homes Tasmania can procure home construction services:

Ms MORGAN-THOMAS - ... *The Chair has just reminded me about one of the things that we are doing, so that when we are ready to go, we can go quickly. We have been trying to do some innovative ways in how we procure builders in particular.*

Ms ARMITAGE - *I was going to ask about builders, and how you're going to find them?*

Ms MORGAN-THOMAS - *Things have eased up at the moment because of where the rest of the economy is federally and interest rates and things. But we know that if you have to do everything and you wait until you've got that, then you go out to market for a builder and then you do this and then you do that. We've tried to look at how we can streamline some of those things and still stay within the Treasurer's Instructions about procurement because that's important. But we have just done an advance notice to the construction industry that we will be going out in July [2024] for a panel of builders.*

Ms ARMITAGE - *They're putting tenders out?*

Ms MORGAN-THOMAS - *It's a panel of builders so that you can be pre-qualified so that when we want to build - it could be a bigger number of houses or it could be a couple of things on an infill site - we've got builders ready to go who are pre-qualified and they are just tendering on price and quality. It will fast-track that stage so that builders aren't having to come to us, tell us their whole life story. We check their financials every single time. This will be a panel of pre-qualified builders that we can contract relatively quickly.²⁴*

Housing Definitions under the Action Plan

As detailed in this Report's [Background](#), the Action Plan has three definitions as it applies to a home: crisis accommodation, social housing, and affordable housing. At the 9 July 2024

²³ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.10-11

²⁴ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.11-12

public hearing, the Committee were informed by Minister Ellis as to the reasons why crisis accommodation and affordable land were included as 'homes':

Ms O'CONNOR - *What's a home to you?*

Mr ELLIS - *A home can be a whole range of different things. For me, home is where the heart is, it's a place with family, it's a roof over your head, it's the security of the four walls, and as I say, people look at a home in different ways. For example, a residential aged care facility is someone's home. There's a whole range of different ways that we as a society consider home. Multigenerational families. Yes, it can mean different things to different people, but for me, home is where family is and it's the security of a roof over my head and the four walls around me with the people I love. Ms O'Connor, I'm happy to take your feedback on what home is as well.*

Ms O'CONNOR - *Well, I'm just wondering, because in the action plan, you talk about the plan to build 10,000 homes, which is absolutely necessary and laudable. Would you call affordable land a home?*

Mr ELLIS - *Well, for many people it unlocks the home, and so delivering affordable land so that they can make choices about the kind of home that they want to build we think is a good thing. I think one of the big opportunities for the future going ahead is to provide more choice for Tasmanians in terms of the homes that they want to see, the homes that they want to live in, rather than the old cookie cutter approach of the broad acre housing estates of times gone by. If we can unlock affordable land for Tasmanian families to potentially own their own home or for a Tasmanian to invest in a home for someone else to live in that is different, it meets their needs.*

Ms O'CONNOR - *But it's not a home.*

Mr ELLIS - *I think it delivers a home.*

Ms O'CONNOR - *Can I ask you: do you think crisis accommodation is a home? Safe spaces, is that a home? Supported accommodation is a home. But, crisis accommodation, it could not be argued you're building homes for people if it's just something that people pass through in a time of need in their life.²⁵*

The Committee also heard from Minister Ellis and Ms Jessemy Stone (Director, Housing Policy and Programs - Homes Tasmania) with respect to the numbers of homes allocated against each category under the Action Plan:

Ms O'CONNOR - *... perhaps we could just have a breakdown of the 10,000 homes that are being committed to, how many are safe spaces, how many are in those categories. ...*

Ms MORGAN-THOMAS - *We don't have an allocation at the moment. That is still something that we are working through. The majority of it, however, will be actual long-term homes, not crisis accommodation.*

²⁵ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.14

CHAIR - How do you have an action plan but you don't have any numbers or identified areas? How does that marry up?

Mr ELLIS - I think, broadly, Chair, as I mentioned before, a lot changes over 10 years and working through that is appropriate. Being flexible enough. There are some good reasons why we would include crisis accommodation in the targets that we've got. We think it's important that we do include crisis and emergency accommodation in terms of the build that we're doing, because we need to take into account people's stage of life, and for some people they can find themselves in a really difficult spot. I think if we had of come to this Committee and said that crisis and emergency accommodation was not part of our targets -

Ms O'CONNOR - No one is suggesting that, we're just trying to sort of unpack the commitment to build new homes.

...

Mr ELLIS - ... but more just as a general comment that we think it's a good thing that we're including builds for crisis and emergency accommodation as part of our 10,000. I think, broadly speaking, the Committee and the community would probably agree on that too.

Ms O'CONNOR - Of course, but they're not homes.

...

Ms WEBB - ... For a start, no one is suggesting that we don't need to deliver crisis or transitional accommodation. Clearly, that needs to be funded and delivered to a higher level than it is now. Calling it a home is a whole different ballgame. Including it in 10,000 homes is misleading, Minister, in my view, and I'm just going to put that on the record here now.

But back to that, if you aren't able to provide a breakdown looking ahead for the whole 10,000 - which seems extraordinary, to make a commitment like that, on such a long run-up time, and actually have absolutely no clue what it's going to look - but what we do know is that 2,643 homes have been delivered, apparently, between 1 October 2020 and 30 June 2023. How about a breakdown across those categories of that number?

...

Mr ELLIS - Yes, as I say, I'm giving you the total number, which is 3,422 social and affordable homes as of 31 May [2024].

...

Ms WEBB - 31 May. Is that from 1 October 2020 to 31 May 2024?

Ms STONE - Correct.

Ms WEBB - Okay. Can we have the breakdown across the different tenure types, please?

Ms STONE - ... social housing, 1,708 as of May [2024]; home ownership, 568; affordable rentals, 710; affordable land, 323, when we talk about affordable land, there is a condition of the sale of that land that a home must be substantially commenced within two years; crisis accommodation, 113. That adds up to 3,422. That information is

reported monthly. We also know, when we talk about our pipeline, which homes are under contract or land is secured - so we're not talking about concept projects but actual pipeline of contracted homes we know that there is in the pipeline 596 social housing properties, that's reported monthly in the dashboard. We know that home ownership, affordable rentals and land, which is affordable housing in the strategy, is 1,160, and for crisis there is 6 units in the pipeline.

Mr ELLIS - *I suppose just as a broader comment, Chair, those are indicative numbers of what we've delivered in the past and our numbers probably look similar in the future, but, as I note, this is a relatively new model and where there are opportunities for us to do more in certain spaces or the demand from the community changes, then we have the flexibility under the new Homes Tasmania model to adapt and change with what the community are looking for as well.*²⁶

Homes Tasmania Affordable Houses

At the public hearings, the Committee heard from Minister Ellis, Ms Stone and Ms Morgan-Thomas with respect to whether there were a set number of social houses expected to be provided by Homes Tasmania:

Ms O'CONNOR - *... I have a question here on behalf of a key stakeholder. It relates to the affordable housing component of the 10,000 homes commitment. Just to clarify, the First Home Owner Grant and the duty relief scheme for first-home buyers of established homes are not included in the affordable housing components of the 10,000 homes, are they?*

...

Ms STONE - *That's correct.*

Ms O'CONNOR - *... If we could just unpack what proportion of the 10,000 homes commitment you foresee falling within that affordable housing category, Minister. ... Of those 10,000 homes, how many would be social housing within the definition of social housing?*

Mr ELLIS - *I'll pass over to the team from Homes Tas to add to my remarks in a second. In terms of some data on affordable home ownership and affordable rentals to the end of June 2023, there's been a net 1,157 increase in affordable housing, including: affordable private rentals, 509; affordable home ownership, 325; and affordable land lots, 323. As at 31 May 2024, an additional 444 affordable rentals and home purchases have been delivered, with an additional 1,160 homes and lots in the pipeline ...*

Ms O'CONNOR - *I am interested in understanding, and I think the Committee would be too, in the proportions of that commitment. Your Government has made a big call - 10,000 homes by 2032. How many of them, what proportion do we think will fall within the social and affordable housing categories?*

...

²⁶ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.14-17

Ms MORGAN-THOMAS - If I can refer you to the latest dashboard, which has come out for the end of June [2024], ... the really good news about that is it shows a slight downturn in the numbers of people on the housing register, which is the first time that we have seen a reduction in that in a number of months ...

CHAIR - Do you know whether people have actually just given up and taken themselves off the register, or is it just they have genuinely been able to find a home?

Ms MORGAN-THOMAS - There is a lot of movement in the register. In every month it will be a slightly different cohort. But we do know that the majority of the people are staying on the register, but we are housing some people. Some people's life circumstances change and they move interstate or start a new relationship. All sorts of things happen in people's lives, but we know people come on and off. This is the beginning of - we have seen a decline in the growth over a number of months, so it has not been growing at the same rate; and this month we have seen a decline ...

Ms O'CONNOR - We have also seen population movement to the mainland, quite a sharp increase in people leaving.

Ms MORGAN-THOMAS - All of those things have an impact. Where we are at the moment is looking at what we need to do. We have in the pipeline things we have already started, so we know that they are kind of locked into our forward plan. We have 560 that are locked in. Some of these are waiting for Commonwealth funding.

Ms O'CONNOR - These are 560 social?

Ms MORGAN-THOMAS - That's 560 total, of which 461 are social. Now, what I expect will happen in our planning - and we are looking at this, is that we keep monitoring what is happening in the market, what the market needs and then what we need to deliver. It would be very rash to lock in a number or a proportion now, but we know that we need to reduce the social housing register.

Some of the people on the social housing register have a need for affordable rental. The biggest problem is they can't afford the rent in the private rental market. The solution for those people is not necessarily social housing; it will be working in the private rental market to deliver more supply there.

So, we are very conscious of not locking everything in because locking people into social housing is expensive to maintain. It is a very deep subsidy but, for a lot of people, it can be a poverty trap as well.

Now, there are a group for whom social housing is really important and will be their home for life. I know that. So, we are working through all those things and working with our Board at the moment.

Ms O'CONNOR - Can I just challenge that statement? Social housing may be a poverty trap depending on how that social housing is built and where it is built, and what it is connected to.

I guess one of the issues here is that we have seen a philosophical shift from governments that recognise that social housing provided a broad community good to marginalising it, which marginalises the people who are in it, drying up funding and focusing more on other market mechanisms to provide people with affordable homes. I am just wondering how sustainable a system is that says, for a proportion of people who are on very low incomes, but maybe we don't have the social housing for them, we will subsidise them in the private rental market, which is out of control. Is there any thinking about - I know it is a deep subsidy to build social housing, but it is a long-term investment in social good if you do it properly -

Mr ELLIS - Ms O'Connor, we obviously have a difference of views.

Ms O'CONNOR - What did I say that's challengeable?

Mr ELLIS - ... We believe in terms of taking action in housing. We need to take action across the spectrum.

Ms O'CONNOR - I agree.

Mr ELLIS - Then we don't have a difference of views, which is great. But that's part of the reason why we set up Homes Tasmania as it is. It is part of the reason why we're looking to increase by 200 the Private Rental Incentives scheme. Depending on people's life circumstances and life stages, we think there are different supports that can and should be provided. Ms Morgan-Thomas has outlined quite clearly that we have a really strong social housing build program as far as our future projections, so I reject your characterisation around marginalising that space. If you look at national data, Tasmania has delivered 15 -

Ms O'CONNOR - If you have a look at the Act²⁷ as it was originally drafted, you would know that social housing was down the list.

...

Mr ELLIS - ... If you look at the national data, Tasmania delivered 15.5 per cent of all social housing builds in the country in the latest data, and we have 2 per cent of the population of this country. So, I think, (a), your characterisation's wrong and, (b) -

Ms O'CONNOR - It's not.

Mr ELLIS - Well, it is, quite clearly by the data, given our massive overrepresentation nationally in terms of social housing.

Ms O'CONNOR - You are debt-funding social housing construction.

Mr ELLIS - We're building social housing. I think most Tasmanians would understand that they often borrow to build their houses.²⁸

²⁷ See section 3, *Homes Tasmania Act 2022* (Tas), <https://www.legislation.tas.gov.au/view/html/inforce/current/act-2022-025#GS3@EN>

²⁸ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.6-9

Homes Tasmania Dashboard

According to Homes Tasmania, the housing dashboard report was provided by the former Department of Communities Tasmania.

Dashboard reports (from January 2022 to June 2024) are available on the Homes Tasmania website until a new framework that will report on Homes Tasmania's performance, including the delivery of their commitments under the Tasmanian Housing Strategy, is developed.²⁹

At the 9 July 2024 public hearing, the Committee was provided with an update on the housing dashboard:

CHAIR - *Now, we've just been informed that this information is available on the dashboard. Our Committee has been made aware that the NSW Government provide a very extensive dashboard of information and it includes private rentals for those that are looking for data around this ...*

Mr ELLIS - *And when you say private rentals, Chair, as in private affordable rentals or the whole rental market?*

CHAIR - *Just the whole rental market.*

Mr ELLIS - *Okay.*

CHAIR - *I'm just interested in whether you consider extending the dashboard information - and you might take a look at the NSW dashboard to see that that provides an extensive amount of information and that may well be of assistance –*
...

CHAIR - *to having a look at the whole picture, not just a part of the picture.*

Mr ELLIS - *Yeah, that's right, and so I can flag for the community as well, we're doing work on our own dashboard. We think that there's more opportunities to provide proactive disclosure of more data and more information and also to provide more useful information as well. You mentioned some of those opportunities, whether it's around rentals things that people can actually use in gaining an understanding, because one of the things about data dashboards is, obviously, here in politics we look at them as somewhat of a scorecard, or we can do, but the other thing as well is that for the private market and people looking to invest in property or to gear up a construction business, things like that, having a better sense of the information available enables them to make better decisions too, so where there may be an area of need that a business might say, 'Look, I think we have a great opportunity to invest and to meet that need'. Looking at how we can do better dashboards helps to unlock that. We've had some -*

CHAIR - *Will you commit to that?*

²⁹ See 'Housing dashboard' under Homes Tasmania Publications webpage, <https://www.homes Tasmania.com.au/about-us/Publications>

Mr ELLIS - Absolutely. We've got that work underway already and we'd be expecting to finalise it soon. But certainly, we've seen from work in the -

CHAIR - What do you mean by soon? I've been here a long time, 'soon' doesn't mean much to me.

Mr ELLIS - Yeah, it'll be soon, Chair, but I can't provide too much more detail until it's done.

CHAIR - Well, obviously, there's a model, there's already a model in place.

...

Mr ELLIS - It's a model, but we have a nation leading framework here, so if there's opportunities to do things really well, learn from other people, or do things even better then we look for those.

Ms WEBB - Are you saying this dashboard is a nation leading framework? Our framework dashboard.

Mr ELLIS - No, I said that we're updating our dashboard, Ms Webb. We're working through that at the moment and looking forward to releasing that soon because we think that there will be benefits for the community to get an understanding of what's delivered, but also how others can make investments that will help address need.

We've seen from our skills data tool that providing information to people that may be operating registered training organisations about need in certain areas can mean that those organisations can look to that and say, 'Maybe we can do things better in our business so that we can help meet that need.' We agree completely. More data, and more useful data, is a really important thing to do and we're looking forward to delivering that soon.

...

Ms O'CONNOR - ... can I just check something on the dashboard, because I understand there was a commitment in the strategy and in the action plan to have a new dashboard ready by a week ago or so, 30 June 2024. What happened to that, and when is it going to be published?

...

Mr ELLIS - To be honest, I'd be expecting it either this month or next.

...

Ms O'CONNOR - ... can you assure the Committee that the most prescient and valid metrics and data on public housing and homelessness will be transparently represented in the new dashboard?

Mr ELLIS - Perhaps, Ms O'Connor, it would assist if you'd describe what your view is of the most prescient and honest metrics are.

Ms O'CONNOR - Will you, for example, in your data make clear how long some people are waiting on the wait list, given that your budget papers project that the housing wait list will be about 5,600 within this financial year? We're looking for what's happening to

people in the system, rather than just a number of people who are waiting for a home. That's only an example.

Mr ELLIS - *Yeah, we can definitely expect some more information about that. We think as well with the housing register there's some important opportunities for us to get a better understanding of the need in the community and also demonstrate how we're going, in terms of meeting that need. For example -*

Ms O'CONNOR - *Are you going to do some modelling to better understand the need?*

Mr ELLIS - *No, I'm talking more in terms of data: where we may see waiting times for different people at different priority levels - it would probably assist the Committee - we prioritise people on the basis of need and a whole range of different circumstances. Being able to break that down a little bit better is important, because, for example -*

CHAIR - *To local Government areas?*

...

Mr ELLIS - *... As I mentioned, the skills work that we do is actually demand and supply based on local government areas ...*

Ms STONE - *... the housing strategy has data modelling on the website at the moment that was completed for the strategy. We're looking to update that with the latest treasury projections, and that is at LGA level at the moment. That does provide some information and modelling about the demand and types of housing, social and affordable housing.*

Ms O'CONNOR - *And Treasury did that work, did they?*

Ms STONE - *It was using the population projections from Treasury, but they didn't do the modelling work, the modelling work was done through Homes Tasmania.*

Mr ELLIS - *One of the interesting things in that space, ... is if we can better target our understanding to where there may be need by an LGA, in terms of a local community. Also, zooming back again, data shows that the homes that we built in the past were actually probably not appropriate for the kind of people and needs we're seeing coming through. It's reasonably well understood in the housing space that we built a lot of three and four-bedroom homes and very few one and two, whereas a lot of the need that we see coming in is for one and two-bedroom homes. Data can help us make better decisions for the future and better tailor what we deliver for the community on the basis of what the community needs as well.³⁰*

Minister Ellis and Ms Stone were asked about the involvement of external stakeholders in the development of the new dashboard:

Ms WEBB - *The update that's occurring, the project that's developing a new dashboard, a new version, who's involved in that? Particularly, what external stakeholders are involved in that project beyond Homes Tasmania?*

³⁰ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.17-20

...

Ms STONE - It has gone through the Board's housing and homelessness advisory committee for comment.

...

Ms STONE - The members of the advisory Committee include Jed Donoghue from Salvation Army, Pattie Chugg from Shelter Tasmania, and Ms Julia Mangan from CatholicCare.

Ms WEBB - Tenants' Union, are they involved?

Ms STONE - They haven't been involved with the advisory committee.

Ms O'CONNOR - ... off the back of what Ms Webb said, there's a whole range of special homelessness and housing stakeholders who might have a view. Has Colony 47 contributed?

Ms STONE - It's just in draft form, at the moment, that's the process.

Ms WEBB - ... the only expected external input is through the advisory group?

Mr ELLIS - Look, I suppose it's probably important to note as well that we're happy to take feedback on it as well.

Ms WEBB - Will you be releasing it publicly for feedback?

Ms O'CONNOR - What is the mechanism for that, though?

Mr ELLIS - We're going to be releasing it publicly, of course. And then, happy to take feedback. One of the things around this space is if there are opportunities for us to provide more and better data, then we're always open to that. I think - broadly, across Government - we should be, we need to do more work to continue improving our proactive disclosures and beyond looking at it as a compliance task, looking it as an opportunity as well, for some of the investment and meeting people's needs, as I spoke about before.

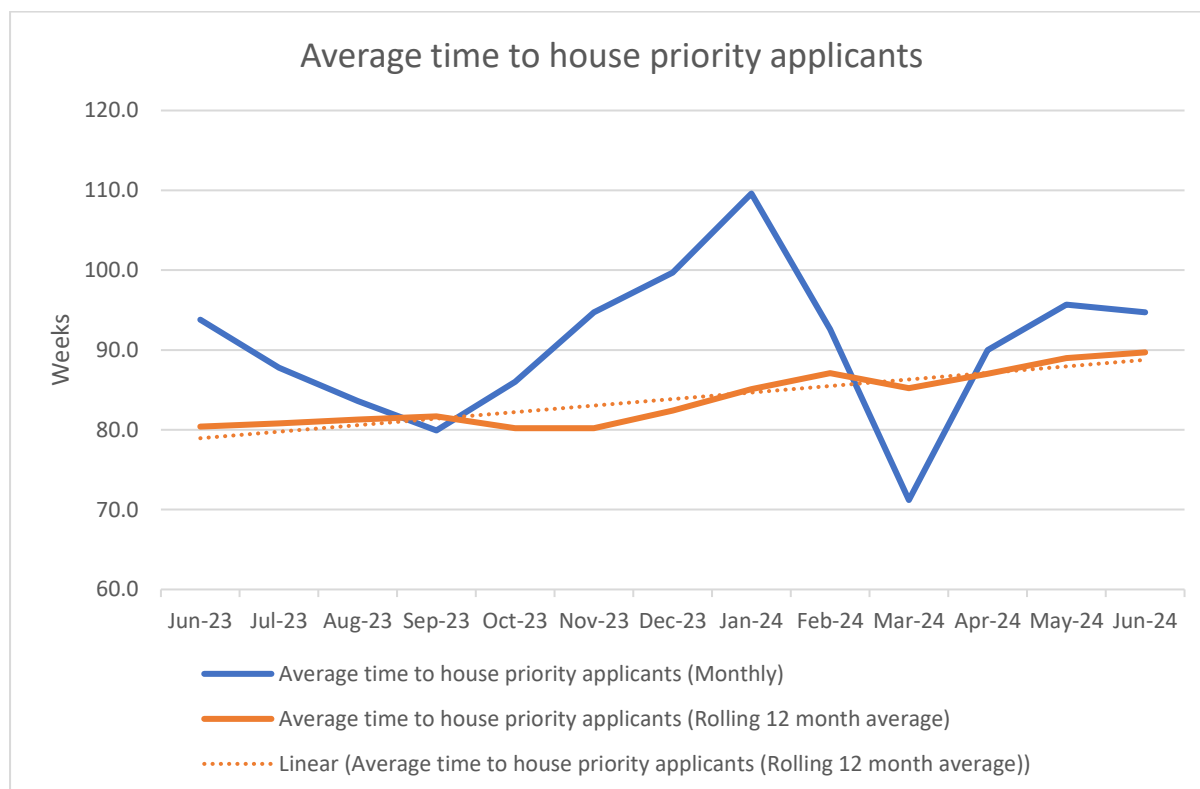
Ms WEBB - ... surely, getting input from people and good ideas is a sensible thing to do during the development stage of a new tool to present data, rather than suggest that people give us some ideas afterwards.

Mr ELLIS - Look, it's the same tool, it's the same data dashboard, and we've taken onboard feedback from stakeholders and we'll continue to update that. That's the thing with data, I don't think that we should be in an attitude of 'set things in stone,' let's continually improve, let's find more ways for us to provide more of an understanding for our community.³¹

³¹ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.23-24

Waiting Lists for Homes

Using the June 2024 data available on the Homes Tasmania dashboard, the average time to house priority applicants (based on a rolling 12-month average) has steadily increased from 80.4 weeks to 89.7 weeks (i.e., 1.54 years to 1.71 years).³²



At the 9 July 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to the current difficulties in meeting demands for housing for priority applicants:

Mr EDMUNDS - ... I've become aware of some data recently about the proportion of women who make up the waiting list for houses, and specifically about some of the waits for women with children who are escaping family violence, who I understand are waiting the longest. My actual question is how many specific houses are being built to cater for that really important cohort of people who are waiting for houses? I agree that building one or two bedrooms is a good way to get numbers up, and there is demand for that, but what is being done in that upcoming number to cater for that cohort of people with children? ...

Mr ELLIS - ... one of the things I will say is that this is such an important area for our country. Sadly, we're seeing an epidemic of family violence in this country, we are seeing people making the decision to leave more often, which in many ways is a really good thing, and we need to be doing more as a country to be supporting them on that really difficult journey. There's a range of different supports that we look to provide in this

³² See 'Table 13 - Average time to house priority applicants', Housing Dashboard June 2024, https://www.hometasmania.com.au/data/assets/pdf_file/0025/280753/Housing-Dashboard-June-2024.pdf, p.15

space, so obviously crisis and emergency is often how women present, but then also secure and more long term - I should say victims of family violence, how they present - and then also providing that longer term security as well.

We also have a range of different initiatives, our rapid rehousing program we're looking to increase substantially as well, so that we can better support people in what is a really difficult, difficult moment when they need a lot of wraparound support ...

Ms MORGAN-THOMAS - ... *you've identified the thing that we probably think most about and is probably one of the hardest data problems to sort of translate into reality. We know that a lot of the tenants that are living in current social housing, whether they're with us or with community housing providers, are under-occupying their properties, so there might one person in a three-bedroom home. We have a lot of three-bedroom homes, but they don't all have five people in them. We are working through what we do about that, because you can't just turf somebody out for convenience and say, 'No, you're only one single person, now you have to move into this other house, smaller unit.' We also know that there is demand for three and four-bedroom homes.*

We know that some of the women escaping domestic violence are only eligible for two-bedroom because they might only have one child, so it's not an easy thing to work out. We also know that we may have an oversupply of three-bedroom houses in some suburbs compared to others, just because of the nature of what's there. The majority of our existing stock is about 40-years old, and it's getting slowly younger as we build more, but it takes a long time to shift a portfolio of that size. What we're trying to do is look at what's the demand for the people who are currently in our housing, our tenants, about what do they need added to the waiting list. You can't just look at the waiting list and build for that, you have to also build for who's currently in our housing.

That is the hardest thing for us to work out, about where is housing and where should it be, and we do know that the majority of housing that we build will probably be two-bedroom, because that is more flexible. A one-bedroom property doesn't give you a lot of flexibility and the marginal cost of a second bedroom is not much, so we're better off future proofing our properties by building two bedrooms, because we can do more with them. We do know for a small number of people we need more three and four-bedroom homes, and we need to work out how we do that. We're in the process of - so, some of the modelling that Ms Stone was talking about will assist us.

Mr ELLIS - *I can probably add a little bit around the data as well if that's helpful for the Committee. Women can access 14 of the 20 homelessness shelters in Tasmania, and the 50 currently secured under the Family Violence Rapid Rehousing program, in addition to the general social housing and private rental assistance. There is additional funding, we think, that needs to be delivered in this space, and we're working with the Australian Government on requests to provide funding, particularly through the National Housing Agreement and the national housing infrastructure facility.*

It's also probably notable as part of our 2030 Strong Plan our commitment to deliver an extra 100 more homes for women and children escaping family violence in addition to recently completed work which doubled the capacity of the Launceston Women's Shelter,

*17 additional units at the Hobart Women's Shelter, eight new units at CatholicCare Women's Shelter, two new units at Jireh House and six additional units currently under construction for McCombe House.*³³

At the 2 August 2024 public hearing, the Committee was provided with further details with respect to the Homes Tasmania waiting lists:

Ms ARMITAGE - ... regarding the housing waitlist. I note that you're saying it's actually going down. Are there any figures that show how many people on the list or do you have a separate list, because I often have people come into my office who are already in a Housing or Homes Tas house, but they're actually wanting a different home for whatever reason. For example, they don't have a yard for their children and they want something larger. Is there a separate list for those people or are they on that same housing list? How is that worked out?

Mr ELLIS - Yes, that's right. There's a range of different people who are on the housing register, including people that are already in homes. It's more of an eligibility register in terms of being accurate. I'll pass over to the team in terms of proportions.

Ms ARMITAGE - I am wondering whether you have them listed separately, whether they come into a different category, like a transfer request?

Ms MORGAN-THOMAS - It's the same register, but we've got our marker on them that says they're looking for a transfer. There's about 320 or 330 people currently on the register, which might mean that you want to move to another housing provider, depending on what location you want. The community housing providers will run their own list for internal transfers as well. So, you're right, there are people looking for a transfer.³⁴

Minister Ellis provided the Committee a response to the following questions on notice with respect to the current Homes Tasmania Housing Register waiting list as at 31 July 2024.³⁵

Question	Response
The total number of people connected to applications (Including children)	There are a total of 4,745 applications. The total number of people connected to applications on the Housing Register is 8,273: this includes 5,705 adults and 2,568 children.
Wait times at the 90 th percentile	The Housing Register wait time at the 90 th percentile is 1,234 days.
The longest wait amount among current applicants	The longest wait time among current applicants on the Housing Register is 4,430 days.

³³ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.20-22

³⁴ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.9

³⁵ See [Letter from Hon Felix Ellis MP to Chair dated 23 August 2024 – Response to QONs](#)

Homes Tasmania Board Members

Under section 14 of the *Homes Tasmania Act 2022* (the Act), the Minister is required to appoint a board of directors (minimum of five up to a maximum of seven members), ensuring that in the aggregate the directors have:

- the relevant knowledge and skills to ensure that the functions and powers of Homes Tasmania are performed and exercised appropriately
- commercial skills and experience, and
- skills and experience in the provision or management of housing and homelessness services.³⁶

Schedule 1 Part 2 of the Act sets the frequency of Board meetings to ‘no fewer than 6 times in each calendar year’.

As at the time of this Report, the Board had seven members: Michelle Adair (Board Chair) and Directors Tim Gourlay, Daryl Lamb, Robert Pradolin, Alice Spizzo, Ellen Witte and Kerry Adby.³⁷

At the 9 July 2024 public hearing, the Committee heard from Minister Ellis and Ms Michelle Adair (Board Chair, Homes Tasmania) with respect to whether the Board Members were Tasmanian-based and how often did the Board meet:

***Ms ARMITAGE** - ... It's no criticism or disrespect to board members ... I'm interested in the location of board members, mainly. I've always found that we tend to have a lot of interstate board members, which, to me, obviously, we have one or two, but it's obviously more costly, and I always feel that representation across our State - north, south, and north-west - is very important. Are you able to advise me ... And how many board members are there? ...*

...

***Ms ADAIR** - ... We do now, as of earlier this year, have seven members of the board. There were originally three appointed in December 2022, three local and three from the mainland, one of those from Victoria and two of us from New South Wales, myself, of course, as independent Chair happens to be Sydney-based. One of the Tasmanians, personal circumstances led him to move to Victoria earlier this year.*

...

***Ms ADAIR** - ... In recruiting for the most recent director, we were explicit, and with support from Premier and Cabinet on the whole board recruitment process consistent with cabinet policy and guidelines, ... and were expecting to have extensive Tasmanian Government and Tasmanian financial experience in capital context and investment experience. We were explicitly looking for that. Regrettably, we had 27 people apply, of the 11 people that made the shortlist, there was only 1 Tasmanian, and that person did not make the shortlist for interview, which is how we came to appoint Ms Kerry Adby, who is now the fourth person out of the Board.*

...

³⁶ See *Homes Tasmania Act 2022*, <https://www.legislation.tas.gov.au/view/html/asmade/act-2022-025#GS14@EN>

³⁷ See ‘Our Board’, Homes Tasmania, <https://www.homes Tasmania.com.au/about-us/About-Homes-Tasmania/Our-Board>

Ms ADAIR - ... of the two shortlisted candidates, Ms Aaby was ultimately successful, she was the former and has extensive background and experience here with the Tasmanian Superannuation Board and context. It is something that we're very mindful of. What we have been very successful in doing, and we're only ever going to do, was have Tasmanians appointed to all of our advisory Committees. There are nine Tasmanians across our three different board Committees, and they are representative across the State, so we do have quite a number from the north, as well as here towards the south. There we've got nine Committee members and two board directors.

In relation to costs, it is something we're very, very mindful of. All our Committees meet online. The Board has felt very strongly that in terms of not only our relationships and establishment but also in us understanding and working very closely to really establish the organisation and the relationships and networks that are necessary for that. We have met the majority of the time face-to-face over the last 18 months, but now that the Committees are up and established, we're anticipating that the board will move from monthly to bi-monthly meetings. That will assist.

We also anticipate that where we can, we will indeed have online meetings. We have decided, and I think for all of us, we appreciate and understand having a hybrid situation in a meeting, particularly our board meetings go from 8:30 in the morning to 3:00 in the afternoon, we're better off all being online than some of us being in the room and some of us being online is problematic. That is certainly something that we are committed to doing.

Ms ARMITAGE - Was it 10 meetings in the last year?

Ms ADAIR - It was probably more. I think there have been a total of 20 meetings since we were established. We started on 1 December [2023] and I think we had three meetings before Christmas or four or something before January [2024].³⁸

Homes Tasmania Staff Survey

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to the Homes Tasmania staff survey:

CHAIR - ... I note of the 184 staff - is that still the current number? You just talked about an increase.

Ms MORGAN-THOMAS - It is a higher number now.

CHAIR - It's closer to 200?

Ms MORGAN-THOMAS - Yes.

³⁸ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.25-28

CHAIR - In the information we [were] provided, only 74 per cent of the 184 indicated they were clear about their role within Homes Tasmania. Is that a concern, Minister, that people are working and they don't actually know what their role is?

Mr ELLIS - We definitely want to ensure role clarity. There's a range of reasons why people might feel that way ...

Ms MORGAN-THOMAS - That came out of the State Service survey that was conducted, I think it was March last year [2023]. Homes Tasmania was established the December before [2022], so it had been in operation as a stand-alone entity for three or four months when most people did that survey.

CHAIR - You'd think most people would have had a job description, though.

Ms MORGAN-THOMAS - They did but they had come from - in some parts, Tenancy Services, it wasn't much different. But in some parts in corporate services, it was a very different role. The survey's just been done again this year but -

CHAIR - There is an update?

Ms MORGAN-THOMAS - the data hasn't been publicly released yet.

CHAIR - I can expect a higher percentage of people who work in Homes Tasmania to know what their role is when I look at this year's annual report.

Ms MORGAN-THOMAS - I don't want to pre-empt. I'm advised that by DPAC that it's not available for release yet, so I'm not going to pre-empt that.

CHAIR - ... Interesting, 74 per cent, quite a few people who don't know what they're doing each day.³⁹

Homes Tasmania's MyHome Share Equity Program

MyHome is Homes Tasmania's shared equity program that assists people into home ownership.

Homes Tasmania's equity contribution varies depending on the type of home purchased and the value of Homes Tasmania's share is calculated on the market value of the property based on Homes Tasmania's equity contribution percentage at the time of purchase. With MyHome, the home owner must pay out Homes Tasmania's share before 30 years, either by purchasing Homes Tasmania's share or selling the house.⁴⁰

³⁹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.28-29

⁴⁰ See 'MyHome', Homes Tasmania, <https://www.homes Tasmania.com.au/Buying-a-Home/MyHome>

The minimum deposit is two per cent of the purchase price and additional assistance includes:

- up to a maximum of \$300,000 or 40 per cent (whichever is the lesser amount) of the purchase price for purchasers of new homes or house and land packages
- up to a maximum of \$150,000 or 30 per cent (whichever is the lesser amount) of the purchase price for purchasers of existing homes.

A property cap price of \$750,000 exists for those purchasing an existing home under the program.⁴¹

Minister Ellis provided the Committee a response to the following question on notice with respect to the number of successful MyHome applications under the scheme:⁴²

Question	Response
Of the total number of successful applications that have been made to the MyHome scheme, how many have been house and land packages, and how many have been existing properties	There are 468 successful MyHome applications (calculated as the total number of settlements from 1 July 2022 - 30 July 2024): <ul style="list-style-type: none">• new homes⁴³ – 134, and• existing properties - 334

Funding of MyHome

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis with respect to the ongoing funding commitment of the MyHome program:

Ms O'CONNOR - Minister, if we go to the Budget papers, the MyHome extension isn't funded from 2025-26 and '26-27. Can I confirm that it will be re-funded?

Mr ELLIS - As in?

Ms O'CONNOR - As in not given a refund, but the funding will be rolled over, there will be funding allocated to the MyHome extension program, for which the funding expires next year?

Mr ELLIS - Obviously, we are working through the Budget process at the moment. It will be 12 September [2024] and all will be revealed by the Treasurer then. But, broadly speaking, our intention is to deliver on our election commitments, which includes MyHome.

Ms O'CONNOR - An increase to MyHome funding or a rollover of the allocation?

⁴¹ See in general 'MyHome', Homes Tasmania, <https://www.homes Tasmania.com.au/Buying-a-Home/MyHome>

⁴² See [Letter from Hon Felix Ellis MP to Chair dated 23 August 2024 – Response to QONs](#)

⁴³ New homes consist of house and land packages and new build homes that have not yet been occupied

Mr ELLIS - We have made commitments around increasing the support available to people through MyHome and also expanding the number of people who are eligible. We are working through the budget process at the moment.⁴⁴

MyHome Financial Provider

At the 9 July 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to the current MyHome financial provider, Bank of Us:

Ms WEBB - ... It's about the MyHome shared equity program that has the Bank of Us as the sole accredited financial provider. It offers one loan product as part of this program and I'm interested to understand why that is not a competitively formulated product. For example, the interest rate for the loan product offered through MyHome is 6.86% at the moment and Bank of Us has two other offerings available right now: their Bank of Us FlexiDiscount Home Loan Rate Special at 5.99% and their FlexiDiscount Home Loan for 6.14%.

Why is the MyHome interest rate through Bank of Us so much higher than market conditions, noting it has been that way, not just now as a one off, but since before the interest rate rises began in 2023?

Why can't the interest rate be lowered to a more competitive rate or offered across a range of products so that there can be some competition, as there are in other states who have similar assistance programs?

...

Mr ELLIS - ... I will say we appreciate the partnership and it's working really well. Just the other day we welcomed the thousandth Tasmanian to secure home ownership through MyHome and it's been a really successful program. We're looking to expand that and that came online on 1 July and it's really encouraging.

It should be noted that MyHome provides a different service to the products that you mentioned that are in the broader market in general and that's why people look to use this product rather than those other ones. It gives you the ability to purchase a home with only 2% deposit. Obviously, as you have a lower deposit rate, that changes a number of different things around the calculation but by providing shared equity and having that lower deposit required, that enables people to get into that loan arrangement more quickly. They also have, obviously, opportunities to refinance down the track if they're looking for lower rates and potentially, if their circumstances change.

Ms WEBB - To clarify, they would have to be buying out the Government component, if they were refinancing so they're unlikely to be ready to do that for quite some time if they've entered this scheme. They don't have a competitive rate at the moment compared to other loan products so I'm just asking, given that other states do manage to offer a competitive rate and various options, why here in Tasmania where we would think our people are most vulnerable who are using this program don't have that option?

...

⁴⁴ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.17

Ms WEBB - ... might I just say they can only make monthly repayments, not fortnightly, which we know is of assistance when we're paying back a mortgage. It's better to have that flexibility. The loan product offered through MyHome only offers monthly repayment options. Why is that?

...

Ms MORGAN-THOMAS - When we selected Bank of Us, they were selected through a competitive tender and they offered the best product through that tender?

...

Ms MORGAN-THOMAS - They were the best product to provide that in Tasmania and they set the interest rates and set those things. That's a question for them, not us. We don't try and intervene. They are a federally regulated lending institution so they have to abide by all of those sorts of things and I presume they set their risk.

Ms WEBB - We're happy to offer a sole option with a non-competitive rate with only, for example, monthly repayments, not fortnightly so there is no flexibility for people to be able to get there quicker with paying off their home.⁴⁵

Minister Ellis provided the Committee a response to the following questions on notice with respect to interest rates, loan payment options and the competitive tendering process to secure Bank of Us as the accredited financial provider:⁴⁶

Question	Response
Interest Rates	
Why is the MyHome product interest rate so much higher than market conditions, noting it has been since before interest rate hikes of 2023? Can the interest rate be lowered to a more competitive rate, as it is in other states? If not, why not?	<p>The Tasmanian Government's MyHome Shared Equity Scheme delivers a comprehensive and fully-featured loan product offering flexibility in loan repayments and off-set account options that are typically not available on loans with low interest rates.</p> <p>Comparable shared equity schemes provided within other Australian jurisdictions are:</p> <ul style="list-style-type: none"> • Victorian via CBA/Bank Australia/Bendigo, rates 6.19% up to 6.59% • WA Keystart Shared Equity 7.85% • SA HomeStart 8.64%. <p>Importantly, the MyHome product includes interest rates in the range of those offered by Government shared equity products elsewhere and provides protections for the customer's investment and lowers their upfront costs with only a 2 per cent deposit.</p>
Loan Payment Options	
Why are program clients denied loan product options, available to other borrowers, including capacity to make frequent payments instead of only	MyHome customers are able to make loan repayments either weekly, fortnightly, or monthly and there is no limit to the amount repaid.

⁴⁵ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.28-30

⁴⁶ See [Letter from Hon Felix Ellis MP to Chair dated 26 July 2024 – Responses to QONs](#)

Question	Response
<p>monthly, unlike interstate counterparts?</p> <p>Why are clients denied being able to pay back more of their loan earlier, rather than rely upon an offset account, unlike interstate counterparts?</p>	<p>This is to ensure that MyHome customers can choose loan repayment frequencies that best suit their needs and their circumstances.</p>
Bank of Us Competitive Tendering Process	
<p>How many tenders were received?</p>	<p>Following a nationally advertised procurement process with sector wide market sounding, two compliant tenders were received, noting a third, non-conforming, application was also submitted and unable to progress through evaluation.</p>
<p>Please provide the Committee the Government's tender brief, and detail the criteria for, and basis on which, the Government selected the Bank of Us as the successful participant?</p>	<p>I refer the Committee to the following documentation provided in the attached:</p> <ul style="list-style-type: none"> • Request for Applications for accreditation to provide lending services to participants in the Director's HomeShare Scheme⁴⁷, and • HomeShare Background⁴⁸. <p>Applications were assessed and evaluated against the following criteria:</p> <ol style="list-style-type: none"> a) Compliance and reporting (pass/fail) b) Quality and suitability (10%) c) Capability and experience (10%) d) Local industry impact (25%) e) Value for money (pass/fail) f) Furtherance of Government housing objectives (pass/fail). <p>The Evaluation Panel, inclusive of Homes Tasmania representatives and suitably appointed independent members, assessed that Bank of Us provided an application that was substantially superior to the other compliant applicant and was nominated as a successful lender.</p>
<p>Was it Government policy to always only have one financial provider instead of offering competition via multiple approved financial providers?</p>	<p>The program is not limited to a single lending partner, however an independent review and market research undertaken by consultant PWC on HomeShare (the Tasmanian Government's previous shared equity program) indicated the Tasmanian market was not large enough to sustain more than one lender or gain interest by larger financial institutions.</p>
<p>If it was the Government's original intention to only have one financial provider, upon what advice did the Government form that position? Did the Government seek any evidence-based advice as to whether having a single non-government financial lender</p>	<p>It is Government policy to provide a shared equity scheme that provides the greatest opportunities for more Tasmanians to realise their dream of home ownership.</p> <p>Independent review and market research undertaken by PWC demonstrated that the Tasmanian market was</p>

⁴⁷ See Attachment A

⁴⁸ See Attachment B

Question	Response
would provide the Tasmanian public the most equitable and transparent option? What consideration was given to, and risk assessment undertaken of matters arising from creating a potential monopoly-supplier situation?	best served by a single provider model. However, the Tasmanian Government will always remain open to changes to the MyHome Shared Equity Scheme to provide the greatest opportunity for Tasmanians.

At the 2 August 2024, public hearing the Committee sought further clarity with respect to the My Home interest rates:

Ms WEBB - ... You've outlined some matters about the interest rates there. However, you have also confirmed that we have the highest interest rate offered to shared equity clients nationally when compared with other states' shared equity schemes that use commercial lenders the way we do. Excluding those that use Government lenders, Western Australia and South Australia, from your information. Is that something you can confirm from what you've been told about our interest rate levels, Minister?

Mr ELLIS - As we wrote back to you, comparable shared equity schemes provided within other Australian jurisdictions are Victoria, CBA, Bank Australia, Bendigo - rates 6.19 per cent up to 6.59 per cent; WA, Keystart shared equity - 7.85 per cent; SA, HomeStart - 8.64 per cent. We also note the MyHome product includes interest rates in the range of those offered by Government shared equity products elsewhere, provides protections for customers' investment and lowers their upfront costs, with only a 2 per cent deposit.

...

Ms WEBB - ... in terms of the comparable commercial lenders in the other schemes, [we] have the highest interest rate in the nation for our shared equity scheme. Is that what you are confirming here?

Mr ELLIS - There are shared equity schemes in Western Australia and South Australia -

Ms WEBB - Government lenders.

Mr ELLIS - Yes, sure -

Ms WEBB - Yes, so not comparable.

Mr ELLIS - ... Obviously, we sit broadly around the middle of the pack.

Ms WEBB - No, we sit at the top of the ones who use commercial lenders. ...

...

Mr ELLIS - Yes, and we sit around the middle of the pack when you look at all the schemes.

Ms WEBB - That is different arrangements for Government lenders in those other states, so it is not comparable. It's apples and oranges.

Mr ELLIS - *It is very comparable because we are talking shared equity schemes. The design of our scheme, for our small state and small numbers, is actually very competitive compared to WA and SA.*⁴⁹

Minister Ellis provided the Committee a response to the question on notice with respect to the provision of a comparative table of key characteristics (including interest rates) of all comparable state shared equity schemes (i.e., using commercial lenders) against the Homes Tasmania MyHome scheme. The table at [Appendix 1](#) provides a list of lenders in other jurisdictions and the interest rates offered for shared equity programs. The table does not provide further comparison of other features of shared equity programs across the states and territories, due to challenges with compiling this information within the time frame provided.

At the 2 August 2024 public hearing, the Committee heard further evidence with respect to the frequency of mortgage payments available under the MyHome Scheme:

Ms WEBB - *... The other area I wanted to talk a bit more about was frequency of payments. We talked last time about monthly versus more frequent payments being available. People have brought it to me that they were instructed by the bank that they were only able to make monthly payments.*

Following our previous Committee hearing, my understanding is the Bank of Us has released a payments option info sheet: also, that the CEO, Paul Ranson, sent an email message to clients on 18 July [2024], outlining that flexible repayment options are available - weekly, fortnightly, monthly, as long as the minimum monthly amount is required to be met. So far so good.

However, further information has been brought to me about what that actually looks like in practice. People have gone back to the Bank of Us to change to the more flexible repayment options, as told that they could, and as it turns out, even if they change to a fortnightly payment, it is only taken off their mortgage once a month. This is unlike the mortgage I have, where I pay fortnightly and I can see on my statements that that amount is literally coming off every fortnight, which affects the calculations and that is one of the reasons why it is a more attractive thing to do. Bank of Us is only taking it off once a month, so there is a no actual benefit for saying people can pay it fortnightly other than it leaves their bank earlier, but it is not giving them that tangible benefit at the other end.

Can you clarify whether that is, in fact, the case and whether that is your understanding of what would be expected of the Bank of Us? I find it misleading to suggest to people, 'Oh no, you can make flexible repayments', but it is not fully the feature we would expect as a flexible repayment.'

...

Mr GILMOUR - *It is typical in the industry, as I understand it, that most bank systems operate on a monthly interest rate. This is old, potentially: this is what we're told. The calculation of interest on a mortgage is done on a daily balance. Whilst the system, and when the loan document is drawn up it says monthly, it is calculated on a daily basis. So, if somebody is making a daily, fortnightly, monthly, weekly payment, then that is what is*

⁴⁹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.24-25

going to change how much interest gets calculated. The fact that that only gets done on a monthly basis - that they only see the balance sheet results of that on a monthly basis does not change the fact of how interest is calculated on the account.

Ms WEBB - *I think it is worth us checking whether this is, in fact, the case, because that is not the impression the clients have from the bank.*⁵⁰

Minister Ellis provided the Committee a response to the following question on notice with respect to whether there was any benefit for MyHome mortgage recipients making fortnightly payments over the term of their loan:

Question	Response
Confirmation as to whether the arrangements offered by the Bank of us for MyHome to make fortnightly payments have a real impact on mortgage repayment direction and total interest paid over life of mortgage compared to making monthly payments	<p>MyHome participants are required to make a minimum monthly repayment under their contract. However, participants may make repayments as frequently as they like to suit their own budget (i.e., daily, weekly, fortnightly etc.).</p> <p>Any additional repayments on the loan above the minimum monthly repayment help to reduce the principal balance of the loan faster, which in turn reduces the amount of interest accruing over time. This can lead to substantial savings on interest.</p>

MyHome Financial Provider – Interest Rate Setting

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis and Mr Richard Gilmour (Director, Community Infrastructure) with respect to whether the Government contemplated the MyHome Scheme as having different interest rates based on the loan-to-value ratio (LVR):

Ms WEBB - *... I wanted to ask, in relation around the tender documents, because you provided the request for application for, I think, the prior scheme, which was referred to as the HomeShare scheme in the documents. In light of comments made in the last hearing where Ms Morgan-Thomas had said that Bank of Us offered the best product through that tender, and also said that the bank sets the interest rates and sets those things: 'That is a question for them, not us.'*

I am interested in that because in the tender documents, it does seem to state, looking at Item 6, Evaluation Criteria, on page 6 of the tender document, in a table that starts a page earlier, but on page 6, under 'Value for Money Criteria', it states:

The assessment will consider customer outcomes such as the product and pricing feature for the customer when scoring against the criteria.

⁵⁰ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.12-13

Can you confirm that this included evaluation of proposed interest rates and other loan features to be offered when assessing and scoring the applicants against that criteria?
...

Mr GILMOUR - ... Broadly speaking, yes, it did. But in saying that, when we procured, or when we undertook the accreditation process, we were also looking at the bank's, or the lender's bona fides when it comes to the level of accreditation and their qualifications, I guess, under the APRA (Australian Prudential Regulation Authority). We weren't trying to set them to create the perfect or the lowest interest rate.

What I guess we've recognised, and if you look at the, I think, nearly 14 years of HomeShare operation prior to launching MyHome, the interest rate that was set there also reflected slightly higher than the lowest variable rate that was available in the market. That was based on the fact that the lender is also required to provide a lot of support for what is recognised as a slightly higher risk group of lenders.

What we found in the review of HomeShare, in particular, after 14-odd years is that the default rate from the HomeShare clients was significantly lower than the Bendigo Adelaide Bank's standard home rate product. That was because of the level of support that the bank and their subcontracted partner, Tassie Home Loans.

So, we were more interested when we procured to make sure that the bank was providing responsible lending, the accredited lender was being responsible in the way that they were providing the product, but were also providing the support for the client group.

Ms WEBB - ... And so, in terms of the two applicants that came through this tender process, did the other applicant propose a more competitive interest rate or more favourable loan conditions?

Mr GILMOUR - So yes, no, they were pretty much on par, from memory. There were three submissions that we received.

Ms WEBB - Three. ... I'm looking still on the document, page 16, where it's looking at reporting requirements that the lender has to provide on a monthly basis in this table in relation to average loan interest rates being charged to HomeShare customers relative to standard discounted variable rates. And also, a summary of effective interest rates being charged to HomeShare customers, grouped by the number of customers charged different rates, provided in 0.5 per cent increments, et cetera. So, it's there in the table you provided us.

The question I'm asking in relation to that is, did the Government enter into the contract with Bank of Us on the basis that only one loan product would be offered to HomeShare customers, regardless of loan-to-value ratio (LVR)? Because this reads like the expectation is there would be different loan products offered, depending on LVR.
...

Mr GILMOUR - Yes, we anticipated through the procurement that there would be a tailored product offered by accredited lenders, and that has always been a feature, as I said, of HomeShare previously, and that was on the basis that we were expecting different levels of support for our clients.

Ms WEBB - So, that's not what's being offered by Bank of Us to current MyHome clients?

...

Ms WEBB - Various interest rates depending on the LVR of their personal loan that they're seeking. Some would have an LVR as low as 60 per cent, probably. In fact, I've had one contact me who was as low as 51 per cent LVR, but yet being charged the same interest rate, or being offered the same interest rate that somebody maybe with an LVR of 75 or 80 would be, by the Bank of Us currently.

Given that we've just had it confirmed it was intended that there would be variability there depending on LVR - that's what's reflected in the tender document, why is that not occurring? Did we actually enter a contract that said there would be only one interest rate offered?

Mr GILMOUR - No. The accreditation agreement requires the bank to offer a competitive rate, but it's having regard to all of those other things that we require in the agreement. I mean, I would need to have a look at the actual - I don't believe that we have ever contemplated having a different interest rate commensurate with the loan-to-value ratio.

Ms WEBB - But in our tender document:

In the request for application, we indicated they would need to report monthly on the summary of effective interest rates being charged, timeshare customers grouped by the number of customers being charged different rates provided in 0.5 per cent increments and grouped by the loan-to-value ratio, LVR, specifying the effective interest rate for customers at -

And then it had various LVR rates that had to be reported against. That seems a fairly explicit indication that we anticipated competitive rates at different LVR levels being offered to clients. Have we contracted to only offer one rate through this scheme?

Mr GILMOUR - No, we haven't.

Ms WEBB - So, Bank of Us, right now, is the decision maker in the rate that is offered and we are not requiring them to offer competitive rates to lower LVR situations for clients?

Mr GILMOUR - Yes, in our accreditation agreement, we have a requirement that the bank offers competitive rates appropriate with their assessment of risk and level of funding. And that is what they are responsible for. We have not ever sought to try to regulate the bank's operation.

Ms WEBB - So, is it the Government's view that offering the same interest rate to a MyHome's customer that has a 51 per cent LVR is appropriate as offering the same interest rate to a MyHome's client who has an 80 per cent LVR? Is that reflective, you think, of the Government's intention through this tender document?

Mr ELLIS - I mean, ultimately, the Government's intention is to ensure that we can extend the opportunity of home ownership to more people and, certainly, there is a lot of home ownership products in the market, both private and through the Government. MyHome is one opportunity for someone with, for example, a 51 per cent LVR, to get into the home ownership market, and plenty of options are available in that space. We think the shared equity project is working really well. I think if you look at the data in terms of the success, we are having through MyHome in terms of expanding home ownership through the scheme, we are seeing almost exponential growth in terms of people taking up the opportunity to get a loan through the Bank of Us on the MyHome program ...⁵¹

MyHome Insurance Arrangements

The Committee also heard from Ms Morgan-Thomas with respect to the then current insurance arrangements with the MyHome program:

Ms WEBB - ... My understanding is that when people are purchasing through this program and they're seeking insurance, the wording that's required is proving problematic with some potential insurers.

I've heard this from people making me aware that they've tried up to six insurers unsuccessfully because Bank of Us requires particular wording on the certificate of currency and then what happens is Bank of Us recommends CGU as the insurer. That turns out to be the only option as an insurer because others won't accept the wording on the certificate of currency. It turns out that Bank of Us has a relationship with CGU and receives commissions on any insurance contract arranged through them so I'm concerned that there's this circular arrangement where there's a particular requirement from Bank of Us about wording that prevents insurance options and then people are directed to a particular insurer who has a relationship with Bank of Us. Can you confirm that that's the case?

...

Ms MORGAN-THOMAS - ... We're aware of those problems and we've just recently changed our instructions, as of last week, to Bank of Us because some of them were resulting from our requirement about the nature of insuring some of our interests.

I can't remember the technical details of it, but I totally understand what the problem was and that's why I've agreed to it. I am not aware of the CGU thing, but I am aware that most financial institutions have an arrangement of some sort.

Sorry, I have just received some information about this: we changed the wording on our tripartite agreement that we have with the person buying the house and the bank that will change that.

Ms WEBB - That won't prevent various insurers being available for people to go to?

⁵¹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.2-4

Ms MORGAN-THOMAS - *It was one of the things that we were requiring under our insurance: it was the way our interests were being insured and it was something to do with public liability and things like that so we've, we've changed it.*⁵²

Minister Ellis provided the Committee a response to the following questions on notice with respect to the insurance provider:⁵³

Question	Response
Regarding the Certificate of Currency requirements, and difficulties that placed upon MyHome's clients to secure insurance, including apparent difficulties to enter into any competitive choice capacity when it comes to securing insurance:	MyHome customers are able to select an insurer of their choice, so long as the insurance product complies with the requirements within the MyHome Tripartite Agreement's specific insurance requirements.
<ul style="list-style-type: none"> Is it appropriate the sole monopoly financier of the program receives a commission from the apparent/main insurer prepared to provide insurance to MyHome's clients, CGU? Noting the advice provided on the 9th of July that Homes Tasmania has now changed the wording on the Certificate of Currency to address insurance difficulties, will that be applied retrospectively to MyHome clients who may now wish to renegotiate insurance policies, or do so when their insurance next comes up for renewal? What steps have been taken to advise MyHome's clients of the changed wording in current Certificate of Currency? 	<p>After concerns were raised by MyHome customers in relation to the lack of availability for insurance providers that could provide a compliant product, Homes Tasmania reviewed the specific insurance requirements to ensure a broader range of insurance providers were able to meet the requirements. A process for accepting alternative insurance arrangements that meets expectations is now in place, and Homes Tasmania will be communicating with existing participants on the change.</p> <p>Homes Tasmania will work with the Office of the Crown Solicitor on the most appropriate way to proceed in relation to existing MyHome customers and their current insurance cover.</p>

At the 2 August 2024 public hearing, the Committee heard from Mr Gilmour as to how and when affected MyHome clients would be notified of the availability of alternative insurance providers:

Ms WEBB - *... can you provide any update on that or a timeframe by which that's likely to be completed and actioned in some way? And how will it be communicated to existing clients?*

...

Mr GILMOUR - *We're seeking advice on that from Crown Law. It's likely to be that we will write to all impacted tripartite agreement holders and basically say: This is now changed or is going to change relevant to your contract. How do we propose, how would you like us to proceed? Do you wish to enter into a deed of variation, for example, where we vary the current deed? Is written acknowledgement that this is now what the new*

⁵² See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.30-31

⁵³ See [Letter from Hon Felix Ellis MP to Chair dated 26 July 2024 – Responses to QONs](#)

clause is going to be enough in order? We don't anticipate that there's going to be a lot of people who are going to require their agreement to be changed. This is just an initial notification.

Ms WEBB - Okay, and the timeframe on that?

Mr GILMOUR - Should hopefully happen in the next few weeks.⁵⁴

Time Taken to Secure Finance under MyHome Program

The Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to the length of time to secure finance through the MyHome program:

Ms WEBB - Can you comment on the length of time, Minister, that it takes to secure finance through this arrangement? My understanding is that because of the protracted time that it takes to go through the process, people are missing out on homes. They have to make an offer quickly because it's a very competitive home market at the moment. How are we ensuring that this is as efficient and as quick as it needs to be given how nimble buyers need to be in the market.

...

Ms MORGAN-THOMAS - A range of things happen in these things. A part of it is the people buying the house don't always come back as quickly or there are hiccups with their lawyers, but there's also things at our end that we've been trying to streamline. The program has been very successful, so we've had to change the resourcing in that. But I'm aware of the time. We're not aware of many people missing out, though. Some people say - I think there may be a feeling - that people think or are worried about missing out, but that certainly isn't coming. There are very few that start and don't finish.⁵⁵

Minister Ellis provided the Committee a response to the following questions on notice with respect to MyHome client agreements that required extensions:

Question	Response
Whether Homes Tasmania is keeping data on how many MyHome client's agreement processes that commence, require extensions and the reasons for those extensions (i.e., whether the delay/extension is a result of Homes Tasmania, Bank of us, the client or the vendor)	<p>Homes Tasmania does not currently collect data in relation to how many client agreements commence, require extensions and the reasons for those extensions.</p> <p>Homes Tasmania has established regular meetings with the Bank of us to discuss the ongoing operation of the MyHome program.</p> <p>The meeting will identify areas that can be improved, including with respect to the collection of data and reporting arrangements.</p>

⁵⁴ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.30-31

⁵⁵ See Transcript of Evidence, [Public Hearings 9 July 2024](#), p.31

Question	Response
How many agreements under the MyHome scheme have commenced that then required extensions due to delays caused by Homes Tasmania's processes or lack of timeliness in required actions	<p>This data is not currently collected by Homes Tasmania.</p> <p>Homes Tasmania will work with the current provider, Bank of us, to investigate improvements in the collection of data and reporting arrangements.</p>

MyHome Income Eligibility

To assess eligibility for access to MyHome, there is an income, asset and a Homes Tasmania liability test.

As stated in the Bank of Us MyHome Information Guide (1 July 2024) under 'Finance Approval – 5.2 What to Bring':

*Pension income (considered permanent/irrevocable income only), which can be used, but only if it's not your sole source of income, we need a statement from the relevant government agency or firm that is not greater than 60 days old that details the benefit amount and the term.*⁵⁶

The aforementioned statement is not detailed in the Bank of Us MyHome Fact Sheet (1 July 2024).⁵⁷

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis, Mr Gilmour and Ms Morgan-Thomas with respect to the Government's understanding of eligible income types under the MyHome Scheme:

Ms WEBB - ...When I look at the MyHome fact sheet provided by Homes Tasmania, it describes eligibility. It mentions under the subheading 'Income':

To be eligible for MyHome and a Bank of Us home loan, you need an income.

Then it mentions, below that, a table with various upper limits for incomes and eligibility. It also mentions that your income from all sources will be used to determine your eligibility for MyHome.

My question relates to that concept of income, and what's included and what isn't, because it's been brought to my attention by a constituent that there appears to be an obstacle for people who are on a disability pension. That's because a person who was on a disability pension, living independently for five years saved \$30,000 for a deposit, looked eligible for the MyHome scheme, but was turned down by Bank of Us because the income was a disability pension.

⁵⁶ See MyHome Information Guide (1 July 2024), Bank of Us, <https://bankofus.com.au/source-assets/images/Personal/HL/MyHome/MyHome-Information-Guide-2024.pdf>, p.20

⁵⁷ See MyHome Fact Sheet (1 July 2024), Bank of Us, <https://bankofus.com.au/source-assets/images/Personal/HL/MyHome/MyHome-Fact-Sheet-July-2024.pdf>

Have we entered into a situation where we're excluding people from this scheme - Tasmanians with a disability who are relying on a disability pension, even if they are apparently in a position to be able to meet the requirements of it?

...

Mr GILMOUR - *The Bank is responsible for undertaking assessment in terms of their obligations for responsible lending under APRA. People who are on a pension - a disability support pension in this case - are typically not deemed to be appropriate for securing a mortgage finance arrangement. That's a decision of the Bank consistent with industry practice. That's been consistent with the HomeShare product since its inception in 2008. The Bank is responsible for doing its assessment on what is in accordance with APRA's requirements around responsible lending.*

Ms WEBB - *So, it's just a flat exclusion of somebody who's on a disability pension from accessing a home loan?*

Mr GILMOUR - *No, it's the type of income that they're on, and the bank's assessment under that -*

Ms WEBB - *... Is it a blanket exclusion because that person's income is a disability support pension? Even through this scheme, which is obviously a very positive shared equity scheme, where the Government is putting in a fairly sizeable proportion, and the person is able to demonstrate that they can meet that, it's just a blanket exclusion on Tasmanians with a disability on a pension.*

Mr GILMOUR - *No, I wouldn't characterise it in that way. This is probably a better question for the Bank and the banking industry. There are obviously significant changes that occurred, particularly after the Royal Commission into responsible lending. There were obviously a lot of changes about how banks operate. We do not seek to get involved in the Bank's assessment of what its lending assessment is against an individual's application. We do know that Bank of Us has performed very well under its accreditation and in terms of its assessment of how it operates in the industry.*

It's not the nature of the pension type, which is not saying that it is a disability pension; it's the type of income and the amount of income, and the risk that that person may, at some point, be placed into hardship as a result of a mortgage.

Ms MORGAN-THOMAS - *If I can just add to that. The Bank is governed by APRA rules around these sorts of things. I know that the banking industry is currently lobbying APRA and the Commonwealth Government to change some of the margins that they require them to have about if interest rates go up by 'x' percentage points. There is a test that they apply at the time of lending, which looks at the capacity of the lender to pay higher interest rates. We can ask the Bank of Us for a specific example.*

Ms WEBB - *I am interested to know if we have collected data, then, through the scheme around how many people may have attempted to access the scheme and been rejected on*

*the basis of their income type, or their income circumstances, by the sound of it, where it would be people who are on a disability pension or other form of Government payment.*⁵⁸

MyHome Investments

At the 2 August 2024 public hearing, the Committee heard from Mr Fazackerley, Principal Finance Officer, Homes Tasmania, with respect to the revaluation of MyHome investments:

CHAIR - *My question is around page 55 of the Annual Report⁵⁹ around the MyHome investments. It talks about the revaluation. It says that the revaluation cycle aligns with the Valuer-General's practice of updating capital values every two years. I thought it was longer than two years. Is that your understanding? I thought it was more like five years for a 'reval'. Can somebody clarify if this is correct in the Annual Report?*

Mr FAZACKERLEY - *... It's certainly correct, yes. We have a range of 'reval' arrangements with the Valuer-General, and for the MyHome -*

CHAIR - *Outside the Local Government areas?*

Mr FAZACKERLEY - *Yes, that's right. So, it's certainly correct that it was revalued on a two-year basis.*

CHAIR - *... I wanted to clarify that because it seemed at odds with what we all see if we own a home and the 'reval' comes in and the rates go up there.*⁶⁰

Resourcing the MyHome Team

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis and Ms Morgan-Thomas with respect to staff resources available to support the expanded MyHome program:

Ms WEBB - *... With the expansion of the scheme, have we had an expansion of the staffing and resources available within Homes Tasmania to facilitate the scheme?*

Mr ELLIS - *The scheme is more broadly delivered by Bank of Us. ...*

Ms MORGAN-THOMAS - *We have had an expansion in the team. It is fair to say that the take-up is so high that we may have to look at that again. I have met with the CEO of Bank of Us during the week and we have agreed that we will set up a quarterly meeting to review efficiencies and things that we can change in the program as it is delivered between the two of us over time. We will look at the continuous improvement that the Minister is talking about because there are always things that you can improve.*

⁵⁸ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.11-12

⁵⁹ See Homes Tasmania Annual Report 2022-23, https://www.homes-tasmania.com.au/data/assets/pdf_file/0027/273177/Homes-Tasmania-Annual-Report-2022-23.pdf, p.55

⁶⁰ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.10-11

Ms WEBB - I am interested, then, in what would prompt the reassessment of the staffing resources. That is because some of the issues being brought to me relate to lengthy delays in completing contracts. Some of those lengthy delays appear to be in Homes Tasmania staff getting back within timeframes.

I have had, for example, a story about a financial clause in a contract. It was a four-week financial clause and the Homes Tasmania person did not come back until three days before the end of that. Then it had to be extended again, and there was a further extension needed because of delays, not on the Bank of Us or the applicant's side, but the Homes Tasmania side. What will prompt you to put more staffing into that area to make sure the expansion is properly resourced?

Mr ELLIS - ... Obviously, we are seeing significant growth in a short period of time and that is a good thing. We want to extend the opportunity for home ownership more broadly. ...

Ms MORGAN-THOMAS - Those sorts of things are a volume-based thing and there is an amount that staff can handle. Our team work really, really hard and I am very impressed with all the work that comes through it. But there are always things that you can improve and we will be looking at what we can improve so that we can streamline on our side, and if we need to increase staff.⁶¹

The Committee also heard as to what data Homes Tasmania takes into account when assessing resourcing needs under the MyHome scheme:

Ms WEBB - I am wondering about what data, or metric, you are going to have to indicate to you that you need to staff it more. For example, are you collecting information about MyHome clients' agreement processes in terms of when they commenced; how many have required extensions; how many extensions in that contract get processed; the reasons for those extensions; whether the reasons sit with interactions with Homes Tasmania, with the bank, or whatever it might be. Is that information that you are collecting and having reported on to you?

Ms MORGAN-THOMAS - Yes, and that is what we will be working with on a continuous improvement process, because you want to see those metrics come down.

Ms WEBB - At the moment, that data would be available to share with the Committee in terms of the most recent reporting period? I am interested in how many contracts there are where that process has begun and then been extended, perhaps been abandoned.

Again, I have talked to many people who have had multiple attempts here and had to abandon them, some of whom have had out-of-pocket costs as a result. Is that something you're collecting information about; whether contracts have had to be abandoned because of the extensions and different requirements, and the degree to which that's involved out-of-pocket costs for the clients?

⁶¹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.26-27

Ms MORGAN-THOMAS - People abandon for all sorts of reasons, including a change in their circumstances, things that are on the side of the client.

Ms WEBB - Yes, but we would hopefully collect that information. Do you understand, from your data, when it is related to Homes Tasmania or things that are under the control of Homes Tasmania?

Ms MORGAN-THOMAS - We certainly know the timeframes. Part of the reason for setting up a structured overview Committee with Bank of Us is so that we can work through those things. You are highlighting all the things that we will be looking at.

Mr ELLIS - It is important to note that work as well, the long history of MyHome and the predecessor was very small volumes stable over a long period of time.

With the expansion that's happened after the review, we've seen enormous growth, many multiples of the number of homes that were coming through previously. That has happened in a short period of time.

We're always interested to see how we can better serve our customers in a whole range of different ways, and certainly, that's one of them.

Ms MORGAN-THOMAS - There's nothing like a volume increase to find the pressure points. We've had a 200 to 300 per cent increase.⁶²

The Committee heard a further explanation from Mr Gilmour as to why some MyHome loan transactions stall or otherwise do not meet the MyHome scheme's timeframes:

Mr GILMOUR - ... We see a number of transactions that either stall or don't meet the timeframes, and it's typically because applicants have signed a contract for the purchase of a home without presenting to Bank of Us beforehand. They've entered into a vendor agreement with the vendor with terms that could not actually have been met. One of the things, with the changes to the scheme that we've had to implement, is that Homes Tasmania is taking an equity share in an existing property.

In our previous arrangement under HomeShare, the only properties we ever contemplated were existing Homes Tasmania properties, Director of Housing properties. Those were properties that we probably typically built and definitely had owned for a very long time, so we knew everything there was to know about those properties.

When someone presents with an on-the-market existing home that might be 50, 100 or whatever many years old and says, 'This is the home I would like to buy under the scheme', there are processes we need to go through in order to make sure that this is an appropriate property for Homes Tasmania.

⁶² See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.27

*Ms WEBB - ... That is appropriate. We don't want people to be buying homes that are then going to be inappropriate in terms of maintenance or significant work.*⁶³

Minister Ellis provided the Committee a response to the following question on notice with respect to the number of applications relating to existing dwellings had been discontinued or abandoned under the MyHome's scheme:

Question	Response
How many applications relating to existing dwellings have been discontinued or abandoned under the scheme.	77 MyHome applications have not proceeded, 69 of which were existing homes. Summary of the reasonings:
Can data be provided on the cause/reason for discontinuation or abandonment of the application?	<ul style="list-style-type: none"> • Finance not met - 4 • Security not met - 10 • Unsatisfactory valuation - 5 • Unsatisfactory building condition (existing homes) - 44 • Extension not granted - delays satisfying due diligence - 3 • Vendor accepted alternate offer or 48 hour clause - 4 • Applicant change of mind - 3 • Proceeded to purchase without MyHome - 2 • Undisclosed - 2

Following the public hearings held on 9 July 2024 and 2 August 2024, several announcements and commitments regarding Homes Tasmania were made via media releases by the Tasmanian Government. They are listed below:

Government Media Releases	
Date	Source and Subject
4/09/2024	Felix Ellis, Minister for Housing and Planning New dashboard highlights continued commitment to housing
9/09/2024	Jeremy Rockliff, Premier Partnering with the West Coast to deliver more key worker accommodation
12/09/2024	Felix Ellis, Minister for Housing and Planning Our Strong Plan for more housing
7/11/2024	Felix Ellis, Minister for Housing and Planning More homes on the way for Brighton
3/12/2024	Felix Ellis, Minister for Housing and Planning Homes Tasmania Review
9/02/2025	Guy Barnett, Deputy Premier Tasmanian Government building entire communities
11/02/2025	Felix Ellis, Minister for Housing and Planning Master home builder to lead new era for Homes Tasmania
20/02/2025	Kerry Vincent, Minister for Infrastructure Tasmania's infrastructure pipeline surpasses \$30 billion
2/03/2025	Felix Ellis, Minister for Housing and Planning Pulling out all the stops to get homes built

⁶³ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.28

Domestic Pet Ownership in Homes Tasmania Properties

At the 2 August 2024 public hearing, the Committee heard from Ms Morgan-Thomas with respect how Homes Tasmania managed pet ownership in their rental properties:

Ms ARMITAGE - ... *The pets in rentals obviously is a bill that we have coming up. What is the current situation or the obligations with Homes Tas as regards to tenants coming into Homes Tas premises with pets currently? Are they allowed? Is there a bond? How does Homes Tas manage that currently? ...*

Ms MORGAN-THOMAS - *There's no bond. We don't charge a bond. We recognise that damage can occur from all people in a house.*

...

Ms MORGAN-THOMAS - *Or pets. We know the importance of pets to people's mental health and wellbeing, and that's a really important thing for our clients. My understanding is around 50 per cent of our tenants have some sort of pet. Our policy setting at the moment is that they're required to ask us if they can have a pet, and usually we will agree to it. We have limits on the number of pets you can have, and things like that.*

CHAIR - *On the amount of dogs or cats?*

Ms MORGAN-THOMAS - *You're also not allowed to keep dangerous dogs. If you have a dog and you have an unfenced yard, then we will have a view on that. But that will be particular to the tenancy. If you were going to have a large dog and there's no fence, we would say, 'No, you can't do that'. Then, once the tenant has their pet in the house, if there are dogs barking and things, it just becomes one of those things you do in managing neighbourhood issues, really. So, you're required to do all the things that you're required to under your lease, which is to give peace and enjoyment, or something like that, to your neighbours, to live in harmony, basically.⁶⁴*

...

Mr GAFFNEY - ... *You said that you have limits. Is it your limit or is it the council bylaw limit on how many dogs they can have and that sort of thing that lets you know what can happen in each of the areas?*

Ms MORGAN-THOMAS - *We have a rule-of-thumb limit that is able to be varied. I have varied a couple of those along the way for compassionate reasons. But, if there are council bylaws, we would have to take those into account as well.*

Mr GAFFNEY - ... *I'm also interested in who manages the neighbourhood issues. If two of your clients have an issue, do you guys manage that or is that a council responsibility? If there's noise, or if there's impacting of a dog not being housed, or a cat running outside and not being managed, when you say you manage that, what do you mean by that?*

⁶⁴ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.13-14

Ms MORGAN-THOMAS - It will mean if it's our tenants, our tenancy managers will try to sort it out in the first place. Sometimes people complain about their neighbours. Occasionally, police will be involved in these.

Mr GAFFNEY - So, would they complain to you directly or would they complain to the council?

Ms MORGAN-THOMAS - Probably both. I wouldn't have any visibility if they're complaining to the council, but I do see the complaints that come to us. People will also write to Members of Parliament.⁶⁵

The Committee also heard from Minister Ellis, Ms Morgan Thomas and Mr Gilmour with respect to fencing obligations and pet enclosures that may come out of the Residential Tenancy Amendment Bill 2024.⁶⁶

Mr GAFFNEY - ... No doubt we will get information on this through the pet rental legislation, but whose responsibility is it to fence a property? If you've got four or five properties and there's no fences and somebody wants to have a dog, whose responsibility is it going to be to fence that property so that dog -

Mr ELLIS - When you say four or five properties, are we talking private rentals now? Are we talking Homes Tasmania?

Mr GAFFNEY - If you have four or five Homes Tas that could be next to one another - there's no fences and one person wants to have a dog. He then writes to Homes Tas and says, 'I want to have a dog. I'm allowed to now. You need to put up a fence for me.' How is that impacting with this legislation, if it does? I'm interested to see how your organisation will handle that piece of legislation if it gets passed.

Ms MORGAN-THOMAS - I can say from the outset that we are fully on board with the changes in the legislation. It slightly changes things for us around people having a right to have a dog as opposed to asking us, but we recognise the importance of having pets in rentals - that people should be able to have an animal because it's so important for their mental health.

But you are right. There are some practical considerations that we will have to think about if people request a fence. I might hand over to Mr Gilmour about what happens when people request any alteration or things around their property, because those obviously have a budget implication and things that we have to schedule. Richard, if somebody was to ask for a fence and Tenancy said, 'Yes, we think this pet's a good idea, but there's no fence', what would happen?

Mr GILMOUR - It is an interesting question. In most circumstances, most properties would have a secure yard. That's done on the basis that people have kids: they need to

⁶⁵ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.14-15

⁶⁶ At the time of this Report, the Bill inserts a new Part in the Act that provides that tenants may keep pets without the owner's consent (subject to notification of the owner, and any Tasmanian Civil and Administrative Appeals Tribunal (the Tribunal) decision arising).

have somewhere safe for them to stay, so that's a yard that is fenced from the street, a rear back yard with a side fence, for example.

I guess the question could relate to, say, a unit complex potentially, where you might have some ground-floor units that might not necessarily have an enclosed space. We need to take that on a case-by-case basis. But typically, most tenants in most circumstances would have a secure yard. ... It might be in the circumstance, where it was a block or unit complex, that providing a fenced area for a dog could actually be impinging on what is common property for everybody else's enjoyment as well. Those types of things would need to be considered.

Mr GAFFNEY - *Knowing that there could be some impacts, for me it's not a case of, 'hear hear, we're allowing pets'; it's a case of what are the practical implications of that decision? How is that going to affect the funding for different things? Does it mean that your organisation is now going to have to go back and look at all your properties and say, 'Look, if somebody moves into here, we're going to have to have this fenced because they have a right to', and that's fine. But we need to know how much that might cost your organisation to be able to do that if that's the situation.*

Ms MORGAN-THOMAS - *That's a good question because we are the largest landlord in the State by far. ... the majority of our properties are designed with the idea that people will have children, who are just as likely to escape. ...*

...
Ms MORGAN-THOMAS - *For the safety of children you need a fence. I would say the majority of our properties are fenced. I have not been budgeting for this to be a big financial impact.*

Mr GAFFNEY - *If a council decides that there must be cat enclosures, which is the way we're trending now, which is fine, and if a property has a cat, are you able to say, 'If you want to have that cat, you have to provide the enclosure'? Or is it incumbent on the owner of the property to provide that cat enclosure?*

Mr ELLIS - *It is hypothetical at this stage.*

Mr GAFFNEY - *It's not hypothetical at all because some councils are already introducing those bylaws. So, how does that impact, especially if the legislation goes through and says you have to allow a cat? I want to know how the organisation might handle that.*

...
Ms MORGAN-THOMAS - *This is not a thing that we have thought about. I think we need to go away and think about [it] ...⁶⁷*

⁶⁷ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.15-16

The Committee was also informed with respect to the inspection regime currently undertaken by Homes Tasmania:

CHAIR - *With a pet in the home, obviously, if you have a private rental, they inspect the home every three months, I think. Does Homes Tas, regardless of whether you've got a pet or not, have inspections? I know in the past, in my past life on council, when we had issues and we asked Housing Tas, as it was then, as opposed to Homes Tas, that they actually can't go past the front door, can't go around the back. So, do you do regular inspections?*

Ms MORGAN-THOMAS - *There's a requirement under the residential tenancy agreement to notify the tenant that you're coming in to do an inspection. We do it and if there's maintenance issues or things like that, we will often take photographic evidence or things like that. We use it as both a client welfare, state-of-the-house, maintenance check-up, a bunch of reasons why we might go.*

Ms ARMITAGE - *How often?*

Ms MORGAN-THOMAS - *It might depend on the tenancy. I think it's six-monthly, but definitely yearly.*⁶⁸

The Committee also heard as to whether Homes Tasmania tenants had appeal rights with respect to pet issues in unit complexes:

Ms ARMITAGE - *With regard to the unit complexes, do we have many inquiries at the moment, many people in the unit complexes wanting pets? And the situation if it is refused, what appeal rights do they currently have? So ... do we have many that have pets in the unit complexes, because, obviously, it is more difficult than it is in individual homes? Then, if for some reason they are refused, what are the appeal rights at the moment?*

Ms MORGAN-THOMAS - *... Unit complexes in our world go from two conjoined units with yards through to Queens Walk.*

...

Ms MORGAN-THOMAS - *... I do know that people will have cats and smaller pets in some of our apartments. If they are rejected, people will write back and I see some of those, where people make a request for a reversal of a decision around pets.*

Ms ARMITAGE - *Do they have an appeal right to something like TASCAT? Obviously, in the new legislation that is coming up, the onus is reversed. But, currently, if someone, for example, wanted to have a dog in a unit complex because it was a companion dog or something like that, but it caused a lot of trouble barking, do they have any appeal rights, apart from writing and asking you? Can they actually take it further?*

Ms MORGAN-THOMAS - *My understanding, under the Residential Tenancy Act as it currently stands, is that it's our decision about whether you are allowed to have a pet in*

⁶⁸ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.14

*our property and that is not something that can be appealed through that mechanism. I can assure you that people write to me.*⁶⁹

Private Rental Incentives

From the Homes Tasmania website:

The Private Rental Incentives program is designed for Tasmanians having difficulty accessing private rentals in today's strong property market.

Owners are incentivised to make their properties available for affordable rent to eligible households on low incomes and with low or no support needs.

*This includes tenancy and property management provided fee-free by Centacare Evolve Housing, a registered and experienced statewide property manager.*⁷⁰

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis with respect to the Government's commitment to this program:

Ms O'CONNOR - *There's a line item in here from last year's budget as well for the Private Rental Incentive scheme enhancement, where funding - it sounds like it was a one-off allocation or one-term allocation. What is your thinking on that?*

Mr ELLIS - *Yes, we made a commitment to expand the Private Rental Incentive scheme by another 200 properties at the election. We're obviously working through the budget process but committed to meeting all of our election commitments.*⁷¹

Public Housing Maintenance

With respect to public housing tenants, according to the Homes Tasmania website:

Maintenance is a shared responsibility between tenants and Homes Tasmania. It is a condition of your lease that you look after your house.

Inspections of Homes Tasmania's properties are carried out regularly. Homes Tasmania will repair and replace fixtures as appropriate while you are a tenant.

You are responsible for paying for repairs due to damage caused by negligent or careless actions by you, members of your household, pets or guests. This includes damage caused because you did not tell Homes Tasmania something needed to be fixed.

It is up to you to let us know if anything needs fixing around your home.

⁶⁹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.17

⁷⁰ See Homes Tasmania, [Private rental incentives](https://www.homes Tasmania.com.au/Private-Rental/Private-rental-incentives), <https://www.homes Tasmania.com.au/Private-Rental/Private-rental-incentives>

⁷¹ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.18

If you are unsure about any issue relating to repairs or replacement, call Homes Tasmania to discuss on 1300 665 663. You can phone us during office hours from 8:45 am to 5 pm, or any time for emergency maintenance.⁷²

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis, Ms Morgan-Thomas and Mr Fazackerley with respect to Homes Tasmania maintenance matters in general:

Ms O'CONNOR - ... *What is the Homes Tasmania - maintenance burden, for want of a better term - outstanding maintenance?*

Mr ELLIS - *General maintenance budget for 2023-24 was \$24.75 million. We expect to have exceeded that. You will note that in our election commitments we actually made a commitment for a \$20 million boost over the next four years in terms of additional funding for maintenance services. ...*

Ms O'CONNOR - *The question is the outstanding maintenance, which, in a way, is a debt. It sits on the books as something that is unfunded and needs to be done.*

...

Ms MORGAN-THOMAS - *The maintenance of our portfolio is very important to us and we work with community housing providers around that. Over the next four years, we'll be jointly implementing an energy efficiency upgrade program, that's partly Commonwealth-funded and matched by us and the community housing providers, that will do some important upgrades around the thermal efficiency of the property and appliances within it. We are rolling that out over the next four years.*

We're monitoring at the moment, and we don't have the current numbers on ... the deferred maintenance liability ...

...

Ms MORGAN-THOMAS - *We're working through that at the moment. And because it's tied to the - some of the drivers of that are around the valuation of the property, but also of the - because it's about the valuation of a property is the land, but it's also what's the building that's sitting on top of it. So, that's in two parts. It's also driven by things around the cost of maintenance, which has gone up astronomically in the last few years because of the cost of supplies and labour, and inputs and things. So, we're in the process of calculating that at the moment. ...*

Mr FAZACKERLEY - ... *we are in the process of recalculating the figure. ... we've got some indicative numbers which are being reworked. What they show in broad terms ... that deferred maintenance figure set up around \$90 million, probably close to \$100 million many years ago. What I would say is we've seen a pretty significant improvement in it over recent times.*

⁷² See Homes Tasmania, Information for public housing tenants, <https://www.homes Tasmania.com.au/Your-tenancy/maintenance#:~:text=If%20you%20are%20unsure%20about,any%20time%20for%20emergency%20maintenance>.

I've got an indicative number here which, ... and I wouldn't really want to put it down as a hard figure, but that the number is around \$63 million now across both our stock and the stock managed by the community housing organisation ...

Ms O'CONNOR - ... *Is it your understanding that the maintenance liability has fallen because more stock is being managed by community housing providers, or is it as a result of direct dollar investment in Homes Tasmania stock? ...*

Mr ELLIS - *Are you talking about because we transferred properties to community housing?*

Ms O'CONNOR - ... *When you transfer to community housing providers for management, part of that maintenance liability goes with that transfer.*

Mr ELLIS - *I think Mr Fazackerley said it was a global figure for social homes. Was that correct?*

Ms O'CONNOR - *Is that the Homes Tasmania stock maintenance liability?*

Mr FAZACKERLEY - *No, the figure I gave was for all stock, both Homes Tas and community-managed.*

Ms O'CONNOR - ... *And that is how many homes in total, 13,500, roughly?*

Mr FAZACKERLEY - *Yes, that number.*

Ms O'CONNOR - ... *Does Homes Tasmania carry the responsibility for maintenance in community housing properties now?*

...

Ms O'CONNOR - ... *Just to understand, given that there's going to be a \$457 million debt within two years sitting on Homes Tasmania's books - this is the evidence that came before the last inquiry. I think it was \$457 million by 2026-27, and you've got a maintenance debt there, just to unpack what it's going to look like. But also, how you brought it down and some clarity on whether Homes Tasmania carries the liability for community housing properties maintenance, which I didn't understand to be the case.*

Ms MORGAN-THOMAS - *Maybe if I explain the fundamentals of how it works. We retain the ownership of all of the properties, apart from some that some of them own themselves. We're only counting the ones that we own. We own the asset: therefore, the value of the asset is sitting on Homes Tasmania's books, and any improvements or impairments to that asset also sit on our books.*

However, in the handover to community housing providers to manage it, it goes with a proviso that they have to do all of the responsive maintenance, but also the improvements. That goes with them. They have access to higher incomes than we do because tenants get Commonwealth rent assistance, so they get that. We don't. Part of the reason for the transfer to them is so that they can use that to improve the asset.

*That is where some of the improvements are. Some of them are coming from work we have done in the portfolio we manage to improve the assets through energy upgrades and things like that, and will come further, because the energy upgrades are actually an asset improvement and dealing with some of our liabilities.*⁷³

Homes Tasmania Maintenance Contract

At the 2 August 2024 public hearing, the Committee heard from Minister Ellis, Ms Morgan-Thomas and Mr Gilmour with respect to Homes Tasmania maintenance contract matters:

CHAIR - *Can I ask about the maintenance contract and how regularly that is let? And whether that's on a regional basis? How is that actually facilitated?*

Ms MORGAN-THOMAS - *We have two maintenance contracts, one in the north and one in the south. We're in the process of reviewing what happens with that. ...*

Mr GILMOUR - *We were actually undertaking a review for quite some time. Our current maintenance contracts are delivered through two head contracts. They started out under separate entities. Unfortunately, we were probably about three years into the new contract term and the southern head contractor was, basically, unable to proceed. The contractor who was delivering for the north and north west was able to step in and, effectively, take over a statewide contract. That contract, both those agreements are up in July next year [2025] so we are in the stage now of doing the final recommendations to the CEO.*

CHAIR - *Is it an open tender process?*

Mr GILMOUR - *Absolutely, and it always has been. We're looking at how Homes Tasmania gets the best outcome for our portfolio. What's occurred over time we used to have 13,000-odd properties that we managed, so when we went out for a statewide head maintenance contract, that used to receive national approaches. It was seen as a very good contract to secure.*

CHAIR - *Who is subcontracted under that?*

Mr GILMOUR - *... They contract local subcontractors. But, as we have transferred our portfolios to the community housing sector, that has diminished our scale in that sense. We're looking for improved ways of working with Tasmanian contractors to provide maintenance into that portfolio. That will be reflected in the new contract, in our new tender that comes out, which will be later this year.*

Ms ARMITAGE - *With regard to the tender, I'm assuming it's 'Buy Tasmanian' first. Are the current contractors Tasmanian firms, not just someone who has an office in Tasmania and mainland people come down? We are primarily looking at Tasmanian contractors?*

⁷³ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.18-20

I know sometimes it might be a little bit more expensive, but in the long run, it is not, because we are employing Tasmanians and putting food on their tables, and giving them money. Can you confirm that we do look to buy Tasmanian when we are looking at contractors and we are putting out to tender, and we are not just necessarily taking a mainland company that might come in a little bit cheaper but, at the end of the day, it is actually not.

Mr ELLIS - Yes, the Buy Local policy is a really important policy that we established more broadly across Government. ...

Ms MORGAN-THOMAS - We are bound by the Treasurer's Instructions around the weighting that we need to give intended decisions around Tasmanian firms, as opposed -

Ms ARMITAGE - Can you tell me if the contracts we have currently are with Tasmanian firms?

...

Mr GILMOUR - It is a Tasmanian firm. It definitely is.

Ms ARMITAGE - They're Tasmanian workers, not fly-ins?

Mr GILMOUR - Correct, they are Tasmanian workers.⁷⁴

Improving and/or Redeveloping Homes Tasmania Stock

At the 2 August 2024 public hearing, the Committee heard from Ms Morgan-Thomas and Mr Gilmour whether there were plans to improve and/or redevelop some of Home Tasmania's older property holdings:

Ms MORGAN-THOMAS - ... the average age of our stock is 40 years. or close to 40 years, and it is something we are looking at as part of our future strategy about how we deal with that ageing stock. How do we make it more fit for purpose? There is an evaluation that will happen on each and every property to go, 'What's the purpose'.

Ms O'CONNOR - ... Can you foresee some investment in retrofitting of the older stock? I know there is a whole way of dealing with older stock and you might make some available through HomeShare, MyHome. But is there a plan to retrofit to improve the quality of the stock and give it a longer life?

Ms MORGAN-THOMAS - Some of the stock can be improved, and it's certainly the case with more solidly built properties. Some of the stock, we know, is impossible to make accessible for people with mobility requirements and, also, the fabric of the building doesn't support further investment in it. We have to make asset decisions like that every week. There's always something.

Some properties, all the time we will go, 'That property, when it becomes vacant, we won't invest any more in upgrading that property'. If it has redevelopment potential, we

⁷⁴ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.21-22

may then redevelop it at that point and do a spot redevelopment. Those sorts of decisions happen, but it's based on the status of the property at the time.

Ms O'CONNOR - *Maybe increasing density on some of those sites you're looking at redeveloping?*

Ms MORGAN-THOMAS - *Yes, because, on the whole, the older stock is generally on a bigger block and we have - I can ask Mr Gilmour to talk about a couple of the things we have done in Chigwell, where we've been able to get substantial additional yield out of a redevelopment. ...*

...

Mr GILMOUR - *To the density question, ... we've had some really good examples now. The project that Eleri alluded to was four single dwellings. Basically, they were at the end of their asset life. We were able to demolish those and build 22 units, effectively, in multiple levels. We've got another project we're working on where we've got eight properties, effectively, and we can deliver 45 across that site. That's the sort of intensification we're looking at across the portfolio.⁷⁵*

⁷⁵ See Transcript of Evidence, [Public Hearings 2 August 2024](#), p.20-21

Appendix 1 – Table of Comparable State Shared Equity Schemes

	Cth	Tas	Qld	NSW	ACT	Vic	SA	WA
Program	Help to Buy (H2B)	MyHome	Pathways Shared Equity Loan	Shared Equity Home Buyer Helper ⁷⁶	Shared Equity Scheme	Homebuyer Fund	HomeStart Shared Home Equity Scheme ⁷⁷	Keystart Shared Home Ownership
Interest Rates	TBD – Housing Australia to establish criteria and processes for approving entities as ‘participating lenders’, including competitiveness or mortgage products and interest rates	6.86% variable - FlexiChoice MyHome home loan (no interest paid on Homes Tasmania’s share); Fixed interest rates available: 1 year – 6.74% 2 years – 6.24% 3 years – 6.19%	If tenants access the Queensland State Housing Loan there is a discounted interest rate available and the rate is capped in the early years of the loan to protect participants from rising interest rates. Variable or fixed interest rates available. Interest rates are determined by the Chief executive Officer in line with section 13 of the Housing Act 2003.	Bendigo Bank offered fixed and variable rates for the Scheme. ⁷⁸ As at 27 June 2024 the rates were: Principal and interest variable rate: 6.24% Principal and interest fixed rates: 1 year – 6.29% 2 years – 5.99% 3-5 years – 6.04% Interest only variable rate: 6.24% As the scheme is no longer offered, Unity Bank no longer advertises applicable interest rates.	The loan products available to participants are the same as those generally available, including the Budget Home Loan, Fixed Rate Home Loan and Essentials Home Loan. Budget loan – 6.04% variable rate Fixed loan – 5.99% fixed rate (2 years) Essentials loan – 6.24% variable rate	Bank Australia: Basic loan (LVR <70) - variable 6.14% (current discount to 6.09%) fixed 1 year - 6.24% fixed 2 years - 6.14% fixed 3 years - 5.99% Premium loan Variable 6.18% fixed 1 year 6.24% fixed 2 years 6.14% fixed 3 years 5.99% Bendigo Bank offer fixed and variable rates for the Scheme. ⁷⁹ Principal and interest variable rate: 6.24%	HomeStart loans ⁸⁰ Variable rate 8.64% Fixed 1 year - 7.79% Fixed 2 years - 7.69% Fixed 3 years – 7.59%	KeyStart loans ⁸¹ Variable rate 7.85%

⁷⁶ Pilot closed 30 June 2024. Participants who have received pre-approval from Revenue NSW prior to 30 June 2024 have until 30 September 2024 to find and purchase a home (exchange contracts); <https://www.revenue.nsw.gov.au/grants-schemes/shared-equity-home-buyer-helper>

⁷⁷ Program delivered by the South Australian Government’s housing finance company HomeStart Finance

⁷⁸ As at 27 June 2024 - <https://www.bendigobank.com.au/globalassets/documents/interestrates/schedule-of-lending-interest-rates.pdf>

⁷⁹ As at 27 June 2024 - <https://www.bendigobank.com.au/globalassets/documents/interestrates/schedule-of-lending-interest-rates.pdf>

⁸⁰ Rates & fees - HomeStart Finance, <https://www.homestart.com.au/calculators/rates-fees>

⁸¹ <https://www.keystart.com.au/loans/shared-ownership-home-loan>

Summary of Attachments

Attachment A	Request for Applications for accreditation to provide lending services to participants in the Director's HomeShare Scheme
Attachment B	HomeShare Background

DIRECTOR OF HOUSING

Request for applications for accreditation to provide lending services to participants in the Director's HomeShare Scheme

This Request for Application (RFA) is issued by the Director of Housing

This RFA document comprises the following parts:

Part A: RFA Overview

Part B: RFA Information Table

Part C: General Information Table

Part D: Glossary of Terms

Part E: Conditions of Application

Schedule 1: Reporting Obligations

Schedule 2: Performance Reporting Requirements

Attachment 1: Application Form

Conditions of Agreement, which will be made available to prospective Applicants as an addendum to this RFA at a later date. *Note: the reporting obligations in Schedules 1 and 2 will be adapted to form part of the Conditions of Agreement, once finalised.*

Part A: RFA Overview

General information relevant to this RFA is described in Item 1 of the General Information Table.

Details about how to lodge an Application are set out in Item 3 of the RFA Information Table.

Application Form: The Application Form in Attachment 1 is a required form that **must** be completed. Do not separate the Application Form from this RFA document. An Application is likely to be rejected if the Application Form is not used. An Application must contain (or be accompanied by) all the information and details required by this RFA.

Conditions of Application: Please read the Conditions of Application in Part E before submitting an Application. The RFA Information Table in Part B also forms part of the Conditions

of Application. The Conditions of Application are the conditions upon which the Director is prepared to receive and evaluate Applications. Failure to strictly observe these conditions may result in an Application being rejected without evaluation.

Conditions of Agreement: The Conditions of Agreement will be made available to prospective Applicants at a later date. These will set out the terms and conditions that will apply to the Lending Services.

Background Information for Applicants will be provided in a separate document, for informational purposes only.

Enquires, and requests for further information about this RFA, should be directed to:

Email: HomeShare@communities.tas.gov.au

Part B: RFA Information Table

This table is to be read in conjunction with the Conditions of Application in Part E

Item 1: Closing date and time for lodgement of an Application:	The closing date and time for lodgement of an Application will be 5:00 pm (AEST) Thursday 2 December 2021. The Director may extend the closing date and time.
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Item 2: Pre-Application briefing session details:	<p>Pre-Application briefing sessions will be held virtually for prospective applicants on Tuesday 9 November 2021 between 1:00 pm – 2:30 pm (AEST). An invite will be sent following the close of Registration on Monday 8 November at 12 noon (AEST).</p> <p>The briefing session will build upon the background information provided to interested parties, will cover functional aspects of the RFA process and the HomeShare product and historical performance.</p> <p>The session will be recorded and made available to interested parties prior to the closing date/time of submissions.</p>
Item 3: Place and method of lodging an Application:	<p>An Application must be lodged in electronic format as follows:</p> <ul style="list-style-type: none"> • By email to: HomeShare@communities.tas.gov.au • Subject: HomeShare RFA Submission – INSERT APPLICANT NAME • Acceptable format: Portable Document Format (PDF) only
Item 4: Status of Application:	<p>An Application lodged by an Applicant in response to this RFA constitutes:</p> <ol style="list-style-type: none"> a. a request by the Applicant to be accredited as a provider of Lending Services; and b. an offer by the Applicant to provide Lending Services to Eligible Scheme Participants. <p>However, an agreement in relation to the carrying out of Lending Services will only be formed when the Director and a successful Applicant enter into an Agreement.</p> <p>The Director reserves the right to enter into Agreements with one or multiple Applicants.</p>
Item 5: Information to be provided by Applicants as part of Application:	<p>Each Application will be evaluated using only information provided by the Applicant in response to this RFA. Specified as follows are response requirements (numbered 1-14) that will be used to support the evaluation process. Failure to provide the information required in this Item 5 may eliminate an Applicant from further consideration.</p> <p>1. Legal entity</p> <p>An Applicant (including each entity comprising an Applicant) must demonstrate it is an incorporated legal entity with which the Director may enter into an agreement and must submit acceptable evidence of the same with its Application, such as a copy of the Applicant's certificate of incorporation.</p> <p>Where an Application is being made by a consortium, the Application must:</p> <ol style="list-style-type: none"> a. specify the roles of each party in the consortium; and b. set out the structure of the consortium; and c. include the relevant agreements describing and establishing the relationship between the consortium parties. <p>2. Australian credit licence</p> <p>An Applicant must provide evidence that:</p> <ol style="list-style-type: none"> a. they hold a current Australian credit licence (within the meaning of the <i>National Consumer Credit Protection Act 2009</i> (Cwlth)); and b. the provision of the Lending Services would fall wholly within the scope of the activities permitted under that licence; and c. the Applicant and all its relevant employees and proposed sub-contractors hold, as at the date of the Application (or will hold,

as at the time of commencement of Lending Services), all other applicable authorisations, accreditations, certifications, registrations and licences required at law for the provision of the Lending Services.

3. Solvency

An Applicant must demonstrate, to the Director's satisfaction, that it is solvent and possesses the financial capacity required to maintain and sustain the provision of Lending Services for the duration of any Agreement.

4. Insurances

An Applicant must provide details confirming its ability to comply with the insurance requirements under the Conditions of Agreement.

Alternatively, an Applicant must provide details of its current self-insurance policy and the capacity to adequately self-insure against risks of the kind contemplated by the insurance requirements under the Conditions of Agreement.

5. Outstanding matters

An Applicant must advise if there are any outstanding litigation, regulatory breaches, or other legal matters affecting the Applicant (whether these have been made public or not) that could result in reputational damage to the Government.

6. Improving housing outcomes for Tasmanians

An Applicant must demonstrate its alignment with the Tasmanian Government's strategic objectives for HomeShare, and improving housing outcomes for Tasmanians.

7. Customer service

An Applicant must provide details of current and proposed customer service tools that will be used if successful, including:

- a. systems and processes that are used to evaluate new customers' borrowing risks; and
- b. systems and processes that will be used to evaluate customers against the eligibility criteria for the Scheme; and
- c. demonstration of evidence and experience providing banking services to Tasmanian customers, including in regional parts of the State; and
- d. details of customer service management systems and processes; and
- e. evidence of the quality of customer service systems and process (e.g. through customer feedback surveys, call centre wait times, response time to customer queries, etc.); and
- f. details of hardship, arrears and default management processes, and if (and how) these may need to differ to standard processes to address the shared equity product type, or the risk to the Director's equity share.

8. Customer engagement, marketing and distribution of the Scheme

An Applicant must provide details of current or proposed locations from which Lending Services will be provided for the Scheme, including:

- a. physical locations (including the type of space) in metropolitan and regional Tasmania; and
 - b. locations of, number of operators for, and hours of operation of, call centres for Lending Services as well as ongoing telephone customer support; and
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- c. locations and number of affiliated Mortgage Brokers that would service the Scheme (to the extent that it can be provided); and
 - d. any other relevant distribution channels for engaging with customers.

An Applicant must also provide details of the commitment it is willing to make to promote the growth and uptake of the Scheme, and how it proposes to publicise and encourage take up of the Scheme (alongside the Tasmanian Government's continuing commitments) in Tasmania, which includes:

- e. a proposed strategy for advertising/informing and attracting customers to the Scheme, which describes commitments from the Applicant (noting that this will be subject to review and endorsement by the Tasmanian Government Communications Division of the Department of Premier and Cabinet); and
- f. a description of how de-identified customer information will be used to inform refinements to the HomeShare product offering, and promote continual improvement and maximum eligibility for the Scheme.

9. Loan portfolio management

An Applicant must provide the following material:

- a. copies of all proposed lending documentation for use in providing the Lending Services that is tailored towards the HomeShare product (or which will be adapted for that purpose, including details of how it is proposed to be so adapted), including (but not limited to) loan agreement terms and mortgage terms; and
- b. details of portfolio risk thresholds and processes for monitoring and managing these; and
- c. description of portfolio risk management systems and tools.

10. Commercial and product offering

An Applicant must provide details of proposed:

- a. lending product features, including but not limited to features such as, principal and interest or interest only options, fixed or floating rate options, etc.; and
- b. fees and charges, including:
 - i. a proposed discount to the Applicant's standard variable rate(s) to be offered to all HomeShare customers; and
 - ii. relevant fees charged by the Applicant to customers (e.g. application fees, discharge fees, etc.) and any proposed discounts; and
 - iii. relevant fees charged by third parties and passed on to the customer (e.g. title searches, etc.).

Note that restrictions on fees and other amounts charged to customers will be set out in the Conditions of Agreement.

11. Proposed key person details

An Applicant must list all proposed key personnel who will be responsible for overseeing or managing the provision of the Lending Services, and their primary workplace location(s). These key personnel must have a material presence in Tasmania.

12. Local industry impact

An Applicant must provide a completed Economic and Social Benefits Statement (ESBS) as per the, Annexure C to the Procurement Better Practice Guidelines (available on Treasury's 'Buying for Government'

website at <https://www.purchasing.tas.gov.au/buying-for-government/purchasing-framework/better-practice-guidelines>), including:

- a. number of Tasmanian people proposed to be employed directly; and
- b. opportunity for Tasmanian subject matter expert (SME) involvement; and
- c. broader social and economic opportunities; and
- d. local innovative solutions.

13. Performance reporting

An Applicant must acknowledge and commit to meeting the reporting obligations and performance reporting requirements set out in Schedules 1 and 2 respectively. Further guidance and response details on ongoing requirements are set out in Part C, Item 8 (Advisory Committee).

14. Other Information

An Applicant may provide any further relevant information that may support the application to deliver the services, including testimonials and/or references.

Item 6: Evaluation criteria:

Applications will be evaluated according to the Evaluation Criteria specified in the following table. Any information provided in an Application may be used to evaluate any of the Evaluation Criteria, and the guiding notes in the following table specify response requirements that primarily, although not exclusively, relate to the corresponding criterion.

No.	Evaluation Criteria	Guiding notes
Mandatory criteria		
Compliance and reporting		
1	The Applicant has demonstrated compliance with all legal, solvency and insurance requirements, with respect to the provision of the Lending Services.	This criterion primarily relates to: <ul style="list-style-type: none"> • Response requirement 1: Legal entity • Response requirement 2: Australian credit licence • Response requirement 3: Solvency • Response requirement 4: Insurances • Response requirement 5: Outstanding matters
2	The Applicant has demonstrated a commitment to participating in the Advisory Committee, and to delivering the performance reporting requirements and reporting obligations, in accordance with the Conditions of Agreement.	This criterion primarily relates to: <ul style="list-style-type: none"> • Response requirement 13: Performance reporting
Scored criteria		
Product(s) offered and customer service (40%)		
3	Having regard to the HomeShare Scheme and shared equity product, the	This criterion primarily relates to: <ul style="list-style-type: none"> • Response requirement 7: Customer service

	Applicant demonstrates that their commercial and product offering promotes value for money for customers.	<ul style="list-style-type: none"> • Response requirement 8: Customer engagement, marketing and distribution of the Scheme • Response requirement 9: Loan portfolio management • Response requirement 10: Commercial and product offering
Capability and experience (35%)		
4	With reference to existing and proposed customer service, lending and marketing mechanisms, the Applicant has adequately articulated its capability, experience and presence offering, required to successfully deliver its proposition and improve housing outcomes for Tasmanians.	<p>This criterion primarily relates to:</p> <ul style="list-style-type: none"> • Response requirement 6: Improving housing outcomes for Tasmanians • Response requirement 7: Customer Service • Response requirement 8: Customer engagement, marketing and distribution of the Scheme • Response requirement 9: Loan portfolio management • Response requirement 11: Proposed key person details
Local industry impact (25%)		
5	The Applicant has adequately completed an ESBS, demonstrating employment, social and economic benefits and opportunities.	<p>This criterion primarily relates to:</p> <ul style="list-style-type: none"> • Response requirement 12: Local industry impact
Value for money criteria		
<p>An assessment to determine the Application's value for money proposition to customers will be undertaken, with consideration given to the weighted score achieved during the scored criteria assessment. The assessment will consider customer outcomes such as:</p> <ul style="list-style-type: none"> • the product and pricing features for the customer; and • the customer service and management mechanisms for the customer. 		
Furtherance of Government housing objectives criteria		
<p>An assessment to determine the Applicant's capacity to further Government housing objectives will also be undertaken, with consideration given to the weighted score achieved during the scored criteria assessment. The assessment will consider outcomes such as:</p> <ul style="list-style-type: none"> • alignment with the Government's strategic objectives to improve housing outcomes for Tasmanians; and • proposed contributions to the growth and future development of HomeShare. 		

Item 7: Notification of outcome:	<p>The approximate date by which each successful Applicant will be notified in writing of the outcome of the RFA process will be determined once all necessary addenda to this RFA have been issued.</p> <p>Unsuccessful Applicants will be notified at the conclusion of the application process.</p>
Item 8: Special conditions forming part of Conditions of Application:	<p>The following special conditions also form part of the Conditions of Application:</p> <p>Nil</p>

Part C: General Information Table

Note: the terms and conditions on which the Director will enter into an agreement with a successful Applicant for the provision of Lending Services will be set out in full in the Conditions of Agreement (once issued).

Item 1: Lending Services:	<p>The provision of lending services to Eligible Scheme Participants for the purpose of participating in the HomeShare Scheme, in accordance with the Conditions of Agreement.</p> <p>The services will include:</p> <ol style="list-style-type: none"> provide a loan to eligible customers and manage loans from application through to settlement; and manage HomeShare applications and assess customer eligibility; and manage customer relationships and loan repayments, including for customers experiencing hardship, arrears and defaults; and marketing and distribution of HomeShare information; and contribute to the growth and development of the Scheme through creating and monitoring opportunities that will enhance HomeShare over time.
Item 2: Location:	<p>The Lending Services are to be available and accessible in metropolitan and regional Tasmania.</p>
Item 3: Fees:	<p>Customers of the Lending Services will pay interest, fees, costs and any other charges directly to the Provider. The Director will not be required to pay any fees or other amounts to the Provider in connection with Lending Services.</p>
Item 4: Objectives of HomeShare:	<p>The objectives of HomeShare reflect the market need, product functionality and the need for embedded versatility to accommodate future changes to the market and customer needs. The objectives of HomeShare are to:</p> <ol style="list-style-type: none"> enable homeownership for moderate income households, including for appropriate or suitable social housing tenants; and stimulate the construction sector and generate new affordable housing supply to meet demand across Tasmania.
Item 5: Tripartite Agreement:	<p>For each customer, a Tripartite Agreement will be entered into between the Director, the Provider and the customer. The Tripartite Agreement will cover, among other things:</p> <ol style="list-style-type: none"> the terms of the sale by the Director to the customer of the customer's share in the relevant property; and the customer's obligations with respect to the property; and the process by which the customer may purchase the Director's balance share in the property or sell the property; and

-
- d) the Provider's obligations with respect to enforcement of the Provider's mortgage over the property.

A Tripartite Agreement template is attached as Appendix A. The final form and substance of the Tripartite Agreement template may be varied by an addendum issued by the Director.

Item 6: Reporting Obligations:	Specified in Table 1 of Schedule 1 are the reporting obligations that the Provider will be required to comply with.
Item 7: Performance reporting requirements:	Specified in Table 1 of Schedule 2 are the performance reporting requirements that the Provider will be required to comply with.
Item 8: Advisory Committee:	<p>As requested by the Director or the State of Tasmania, successful Applicant(s) must, within reason, participate in an advisory committee established for the purpose of creating and monitoring any opportunities to support or enhance the HomeShare Scheme. This may include attending and participating in advisory committee meetings and providing relevant information relating to the performance of the Scheme such as, but not limited to:</p> <ol style="list-style-type: none"> 1. marketing and distribution information; and 2. loan portfolio information.

Part D: Glossary of terms

In this RFA, unless the context otherwise requires:

Agreement means an Agreement between the Director and a Provider for the provision of Lending Services.

Applicant means a person who has submitted an Application.

Application means an application submitted under this RFA.

Application Form means the application form in Attachment 1.

Business Day means a day on which banks are generally open for business in Hobart (but does not include a Saturday, Sunday or public holiday generally observed in Hobart).

Conditions of Agreement means the Conditions of Agreement made available by the Director to prospective Applicants as an addendum to this RFA.

Conditions of Application has the meaning in Part E clause 1.

Crown means the Crown in Right of Tasmania.

Director means the Director of Housing.

Eligible Scheme Participant means a person who meets the then current eligibility criteria for the HomeShare Scheme.

Financial Hardship means, in relation to a Lending Services customer, circumstances where the customer has difficulty in making their loan repayments and meeting their other debts when they are due.

General Information Table means the table in Part C.

GST has the meaning in the *A New Tax System (Goods and Services) Act 1999* (Cwlth).

HomeShare Scheme means the Director's HomeShare housing co-ownership scheme.

Lending Services means the services described in Item 1 of the General Information Table.

Provider means a successful Applicant who has entered into an agreement with the Director for the provision of Lending Services.

RFA means this Request for Application document (and includes all of its parts, attachments and addenda).

RFA Information Table means the table in Part B.

Part E: Conditions of Application

1 Conditions of Application

The conditions of application (**Conditions of Application**) comprise Part B and Part E of this RFA.

If there is any inconsistency between the special conditions in Item 8 of the RFA Information Table and any other Conditions of Application, the special conditions override the other inconsistent Conditions of Application to the extent of the inconsistency.

A special condition in Item 8 of the RFA Information Table is taken not to be inconsistent with the other Conditions of Application if the special condition and the other Conditions of Application are both capable of being complied with.

2 Communications

A prospective Applicant must direct all communications and enquiries concerning this RFA to the Contact Officer named in Part A.

Unauthorised communication by a prospective Applicant with any other employee or agent of the Director or the Crown may lead to an Application being rejected.

3 Addenda

The Director may change this RFA by issuing Addenda in writing. Any Addenda become part of this RFA. Addenda issued by the Director are the only recognised explanations of, or amendments to, this RFA.

4 Agreement to be bound

By lodging an Application an applicant agrees to be bound by the Conditions of Application.

5 Use of RFA and information restricted

This RFA, and any information provided by the Director to a prospective supplier as part of the RFA process, remain the property of the Director, and may only be used by a prospective Applicant to prepare an Application in response to this RFA. Only prospective Applicants to whom this RFA is issued may submit an Application.

6 Status of RFA representation

No representation made by or on behalf of the Director during the RFA process binds the Director unless the representation is subsequently included as part of an Agreement with the relevant Provider.

7 Confidentiality of Applications

Subject to this clause 7, the Director and an Applicant must hold the information in that

Applicant's Application in confidence, so far as the law allows, except to the extent that:

- (a) the information is available to the public generally, other than by breach of this obligation;
- (b) disclosure of the information is required by law;
- (c) disclosure is necessary or advisable to get a consent, authorisation, approval or licence from a governmental or public body or authority;
- (d) it is necessary or advisable to make disclosure to a taxation or fiscal authority;
- (e) it is necessary to provide the information in answer to a question asked of a Minister in the Parliament, or otherwise to comply with a Minister's obligations to Parliament; or
- (f) it is disclosed confidentially to a party's professional advisers to get professional advice about this application process, or otherwise to consult such professional advisers.

Despite any confidentiality or intellectual property right of an Applicant in a successful Application that gives rise to an Agreement:

- (g) the Director may reproduce all or any part of that Application in an Agreement with the Applicant, without reference to the Applicant; and
- (h) either party may publish any part of that Application that is included in an Agreement with the Applicant, without reference to the other,

provided that neither party may publish any part of the Application that the Director has determined (by written notice to the Applicant) should be confidential, during the period determined by the Director.

8 Confidentiality in Government agreements

The Director is committed to ensuring that Government contracting is conducted in an open and transparent manner and that unnecessary confidentiality provisions do not fetter scrutiny of contracts. Accordingly, despite any confidentiality, but subject to clause 7, either party to an Agreement may publish, without reference to the other, all or any part of that Agreement.

9 Consortiums

Applicants may submit their Application individually or as a consortium. Applications that are submitted as a consortium must clearly specify the structure of the consortium and the roles of each party in the consortium, including by providing a copy of the legally binding

arrangements between the parties in the consortium.

Should a consortium succeed in its Application, the subsequent Agreement will be entered into between Director of the one part and all of the consortium entities jointly and severally of the other part (rather than having multiple agreements between the Director and the consortium entities).

10 Applications become property of the Director

All Applications become the property of the Director on submission. Subject to clause 7, the Director may reproduce all or any part of an Application for any purpose related to evaluation of the Application.

11 Reservations

The Director reserves the right at its absolute discretion:

- (a) by written notice to prospective Applicants (who have been issued this RFA) to do any of the following things: to discontinue or suspend the RFA process; to extend the closing date and time in Item 1 of the RFA Information Table; and to amend this RFA;
- (b) to negotiate with any prospective Applicant submitting an Application; and
- (c) to determine the number of organisations (if any) with whom it will enter into an Agreement.

The Director is not bound to accept the best value, or any, Application submitted. Acceptance of an Application does not guarantee or warrant exclusivity, and the Director may accept multiple Applications.

12 Content and format of Applications

Applications must include all the information listed in Item 5 of the RFA Information Table.

An Application must be prepared using the Application Form in Attachment 1.

13 Monetary amounts

All monetary amounts must be expressed in Australian dollars (exclusive of GST). The Conditions of Agreement allow for the payment of GST.

14 Preparation of Application

The Director will neither be responsible, nor pay, for any cost, expense or loss, which may be incurred by any person in connection with the preparation or presentation of an Application.

15 Exclusion of liability

The Director is not liable for any error or omission in this RFA or other material provided to an Applicant or a prospective Applicant.

16 Validity

An Application constitutes an irrevocable, unalterable offer by the prospective Provider to the Director. An Application must remain valid and open to be accepted for 90 days from the closing time and date specified in Item 1 of the RFA Information Table. The period of 90 days may be extended by written agreement between the Applicant and the Director.

17 Lodgement of Applications

An Application must be lodged by the closing time and date specified in Item 1 of the RFA Information Table or as extended under clause 11. An Application must be lodged in a manner specified in Item 3 of the RFA Information Table.

Lodgement by email is at the sole risk of the prospective Applicant. The Director does not warrant that a prospective Applicant will be able to upload its Application to the email address for lodgement. An Application may be rejected if it contains a virus, worm or other defect, or if the Application does not comply with any format, size or other requirements stated in Item 3 of the RFA Information Table.

18 Late Applications

Late Applications will not be considered unless the Director is of the view (and its decision will be absolute and final) that:

- (a) circumstances beyond the prospective Provider's control were the cause of the lateness; and
- (b) the consideration of the late Application will not compromise the integrity of the procurement process or provide any unfair advantage to the prospective Provider lodging the late Application.

19 Evaluation of Applications

In evaluating Applications, the Director may take into consideration all relevant factors including, but not limited to: experience; previous performance; capability; proposed fees and other charges payable by customers; suitability of proposed loan and mortgage documentation; and conformity with the requirements of this RFA. The Director retains sole discretion as to whether or not to evaluate non-conforming Applications.

Without limiting the generality of the foregoing, the Director will evaluate Applications against the criteria set out in Item 6 of the RFA Information Table. Evaluation against these criteria will inform the Director's decision whether or not to accredit Applicant(s).

The Director reserves the right to undertake an open or closed evaluation process.

Any information gathered by the Director from prospective Applicants in the pre-Application briefing stage of the RFA process will not necessarily be considered in the Application evaluation process. Such information is gathered by the Director to gauge interest and gather details regarding possible lending products. An Applicant may re-submit this information (where relevant) as part of their Application if they wish to do so.

20 How an Agreement is formed

An agreement for the carrying out of Lending Services will be formed when (and only when) the Director and a successful Applicant enter into an Agreement on the terms set out in the Conditions of Agreement (or such other form and substance agreed between the parties).

21 Debriefing

Unsuccessful Applicants may contact the Contact Officer (named in Part A) to request a debriefing to discuss the reasons for their non-selection. If requested to do so, the Director will provide a debriefing for unsuccessful Applicants after at least one Agreement has been formed with a Provider, or the Director has decided not to enter into any Agreements.

22 Licences and registrations

It is a mandatory requirement for submission of an Application that the Applicant and all its employees and subcontractors hold as at the date of the Application all required authorisations, accreditations, certifications, registrations or licences required at law for the undertaking of the Lending Services. The reference to appropriate accreditations, certifications, registrations or licences is a reference to those things that the Applicant must hold in order to undertake the Lending Services.

23 Zero tolerance towards violence against women

- (a) Violence against women is defined by the United Nations as “any act of gender based violence that results in or is likely to result in physical, sexual or physiological harm or suffering to women”.
- (b) The Director upholds a zero tolerance policy towards violence against any person in the workplace. The applicant acknowledges and undertakes to uphold a zero tolerance policy towards violence against any person in the workplace in its interaction with employees, agents and subcontractors of the Director and in delivery of the Lending Services.

- (c) The applicant must and will ensure that its employees, agents and subcontractors will at all times in delivery of the Lending Services act in a manner that is non-threatening, courteous and respectful.
- (d) If the Director reasonably believes that any of the applicant's employees, agents or subcontractors are failing to comply with the behavioural standards specified in this clause 23 then the Director may in its absolute discretion:
 - (i) prohibit access by the relevant employees, agents or subcontractors to the Director's premises; and
 - (ii) direct the applicant to withdraw the relevant employees, agents or subcontractors from providing the Lending Services.

Schedule 1: Reporting Obligations

Without limiting the Provider's other obligations under the Conditions of Agreement, in carrying out the Lending obligations for each HomeShare customer the Provider must:

- a) comply with the reporting obligations set out in Table 1 below; and
- b) provide the Director with such other reports and documents as requested by the Director from time to time in connection with any matter relevant to the Lending Services.

Unless otherwise stated in the Reporting Obligations, nothing in the Reporting Obligations limits the reports or frequency of reports that the Director may require under this Schedule or prevents the Director from updating or changing the Reporting Obligations of the Provider, provided that the Director must give the Provider not less than 30 days' notice of any changes or updates to the Reporting Obligations.

The Provider:

- a) gives to the Director an irrevocable, non-exclusive, world-wide, perpetual and royalty-free, licence (including the right to grant sub-licences) to use, reproduce, modify and adapt the whole or any part of any report or document given by the Provider to the Director; and
- b) must ensure that it obtains from any third party holding moral rights (within the meaning of the Copyright Act 1968 (Cwlth)) in any such report or document, consent to any infringement of their moral rights by the Director.

Table 1

A. Consumer Related Reportable Incidents	
A.1 Consumer Related Reportable Incidents	<ol style="list-style-type: none"> The Provider must report any consumer related reportable incidents, within 10 Business Days of becoming aware of the relevant incident. This includes serious incidents as they arise, including but not limited to: <ul style="list-style-type: none"> customer financial hardship; and non-compliance with a customer's contractual obligations; and material changes or modifications to a customer's dwelling without authorisation (e.g. extension or renovations); and illegal activities being undertaken at a customer's dwelling; and failure by a customer to comply with their insurance obligations. In addition to the obligations set out in item 1 above, the Provider must report, within the same time period, any serious incident which is similar in nature to a consumer related reportable incident as described in item 1.
B. Performance Reporting	
<p>Performance Reporting – Unless otherwise advised by the Director, all performance reports are to be sent to:</p> <p>Manager Portfolio Planning Housing, Disability and Community Services Department of Communities Tasmania GPO Box 65 HOBART TAS 7001 Australia Dick.Shaw@communities.tas.gov.au</p>	
B.1 Periodic Performance Reporting	<p>Service activity and performance reporting will be provided on a periodic basis, as per Schedule 2. Reporting is to be provided within ten (10) business days of the end of the corresponding period intervals, which are:</p> <ol style="list-style-type: none"> monthly Performance Reporting following the conclusion of each month, in accordance with reporting rules provided by the Director; and half-Year Performance Reporting following 31 December and 30 June each year, in accordance with reporting rules provided by the Director; and annual Performance Reporting following 30 June each year, in accordance with reporting rules provided by the Director.

	Reporting will be provided via email to report against the performance reporting requirements as outlined in Schedule 2.
B.2 Other Performance Information	The Provider is to provide other performance or activity related information if requested by the Director.
C. Other Service Information	
C.1 Other Information	The Provider is to promptly provide information on business planning and strategic implications if requested by the Director. This information may include but is not limited to information on new or unmet needs, service gaps, and strategic issues.

Schedule 2: Performance reporting requirements

Specified in Table 1 below are the performance reporting requirements that the Provider will be required to comply with. Without limiting the Provider's other obligations under this Agreement, in carrying out the Lending Services for each HomeShare customer, the Provider must:

- a) meet the performance reporting requirements under this Schedule 2; and
- b) provide performance reporting metrics for the HomeShare portfolio of loans, as well as benchmarks for comparison, which at least include:
 - i. the corresponding performance reporting metrics for the Provider's broader loan book; and
 - ii. the corresponding performance reporting metrics for the Provider's loan book of customers with Lenders Mortgage Insurance and/or customers in the NHFIC's First Home Loan Deposit Scheme; and
 - iii. any other relevant benchmarks identified by the Applicant and deemed suitable by the Director; and
- c) engage and consult with the Director to:
 - i. promptly finalise the initial performance reporting metrics; and
 - ii. review and update the performance reporting requirements should further metrics be identified; and
- d) monitor the performance reporting metrics from a portfolio risk perspective and promptly inform the Director if a performance metric for a given period has materially changed relative to benchmarks giving rise to material portfolio risks, then engage with the Director to identify control/mitigation measures will be implemented to reduce the impact or likelihood of recurrence (e.g. refining lending criteria, etc.); and
- e) as, and when, required by the Director, report to, and meet with, the Director in respect of any performance reporting metrics that pose risks to the portfolio or the Director's equity interest.

These performance reporting requirements will be reviewed regularly in accordance with the performance of the HomeShare Scheme and may be adapted following consultation with the Provider (with suitable notice provided) should further metrics be identified.

Table 1

TITLE	PERFORMANCE REQUIREMENT/METRIC	REPORTING PERIOD
Compliance		
Financial reporting	Annual Report and signed copy of Financial Statements to be provided (including balance sheet and income statement) together with a signed audit opinion from a suitably qualified auditor approved by the Director.	Annual
Breach reporting	Reporting of any failure by the Provider to meet its obligations under or in connection with their Agreement or the Tripartite Agreement.	Within 7 days of the Provider learning of the breach
Marketing and distribution		
HomeShare enquiries	Number of HomeShare enquiries and source of the enquiry.	Half-yearly
Marketing activity	Branch numbers and locations and sales channels that are consistent with the thresholds specified by the Provider.	Half-yearly
Loan portfolio management		
Arrears and ageing	Number and details of loans in arrears and summary of ageing analysis.	Monthly
Hardship management	Number of customers experiencing financial hardship.	Monthly
Defaults	Number of borrowers currently in default.	Monthly

Interest rates	<p>Average loan interest rate being charged to HomeShare customers, relative to standard (discounted) variable rate.</p> <p>Summary of effective interest rates being charged to HomeShare customers:</p> <ul style="list-style-type: none"> grouped by the number of customers being charged different rates (provided in 0.5% increments); and grouped by the loan to value ratio (LVR), specifying the effective interest rate for customers, at: <ul style="list-style-type: none"> <50% LVR; and 51-60% LVR; and 61-70% LVR; and 71-80% LVR; and 81-90% LVR; and >90% LVR. 	Monthly
Loan to Value Ratio	<p>Number of loans with:</p> <ul style="list-style-type: none"> <50% LVR; and 51-60% LVR; and 61-70% LVR; and 71-80% LVR; and 81-90% LVR; and >90% LVR. 	Monthly
Customer applications, approvals, settlements and exits	<p>Number of and duration between the following activities:</p> <ul style="list-style-type: none"> HomeShare enquiries; and Applicants that have been successfully pre-approved; and approved applicants that have not yet executed; and loans settled; and loan redraws; and loans repaid in full. 	Monthly
Customer management		
Customer satisfaction	Customer satisfaction surveys (as they become available), negative feedback from customers.	Half-yearly
Customer turn-around time	Time taken for a customer to lodge an enquiry until closing a loan.	Half-yearly
Competitive interest rates	Interest rates offered to new customers are below the maximum permitted interest rates.	Half-yearly

Attachment 1: Application Form

To: The Director of Housing

I/We:

(the **Applicant**)

(insert name, USE BLOCK LETTERS)

(insert ACN or ABN)

(Registered Business Address)

(Phone)

(Email)

(Web Address)

hereby apply for accreditation to provide Lending Services in accordance with the Conditions of Agreement, the Tripartite Agreement and the following Addenda (if any) issued by the Director:

Addendum No.	Date and description

I/We confirm the following supplementary documentation has been submitted with this offer as required by the RFA:

Information / Document Description	No. of pages
<i>[Include the information listed in Item 5 of the RFA Information Table, and any additional information necessary to assess the offer against the evaluation criteria]</i>	

I/We declare that:

- (a) the Conditions of Application and the terms of the Tripartite Agreement are agreed; and
- (b) the information and particulars provided as part of this offer are accurate and correct.

Dated:

(insert date)

Signing by an Applicant that is a company

Signed by the Applicant in accordance with section 127(1) of the Corporations Act 2001 (Cwlth):

Signature:

☐

Signature:

☐

*Print
name and
office
held:

*Print
name and
office
held:

*Use BLOCK LETTERS.

Signing by Applicant under power of attorney

Signed for and on behalf of the Applicant by being signed by its duly appointed attorney (who declares that he/she has no notice of the revocation of such power of attorney) in the presence of the witness named below:

Attorney's
signature:

☐

*Attorney
print
name:

Witness'
signature:

☐

Registered
power of
attorney
number:

*Witness
print
name:

*Use BLOCK LETTERS

*Witness
print
address:

Details

Parties			Director, Financier, Co-owner
Director	Name	Director of Housing constituted a corporation sole by Section 6A of the <i>Homes Act 1935</i> (“ Director ”)	
	Address	Level 5, 22 Elizabeth Street, Hobart, Tasmania 7000	
	Telephone	(03) 6166 3610	
	Fax	(03) 6233 4778	
	Attention	Rebecca Thorpe	
Financier	Name	(“ Financier ”)	
	Incorporated in		
	ACN		
	Address		
	Telephone		
	Fax		
	Attention		
Co-owner	Name	(“ Co-owner ”)	
	Address		
Recitals	A	The Director has conducted a Request for Expression of Interest process for interested parties to provide loan finance to assist Eligible Scheme Participants to acquire a share in a residential dwelling.	
	B	The Financier is the preferred proponent to provide loan finance to Eligible Scheme Participants.	
	C	The Co-owner is an Eligible Scheme Participant.	
	D	The Director and the Co-owner entered into an agreement to purchase the Property on .	

- E** The Co-owner has entered into an agreement with an accredited builder for construction of a residential dwelling on the Land on or about the date of this Agreement.
- F** The Director and the Co-owner agree to hold their respective interests in the Property as co-owners on the terms of this Agreement.
- G** The Financier has agreed to provide loan finance to the Co-owner on the terms in this Agreement and the Mortgage.

Date of Agreement	See Signing page
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General terms

1 Definitions and interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Agreement means this agreement including all schedules, appendices and annexures to it.

Approval includes:

- (a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Regulatory Agency;
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Regulatory Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiration of that period without intervention or action; and
- (c) to avoid doubt, any Planning and Environment Approvals.

Business Day means a day on which authorised deposit-taking institutions (as defined in the *Banking Act 1959* (Cwth)) in Hobart are open for general banking business excluding, Saturdays, Sundays and public holidays.

Certificate of Completion (building works) means a certificate issued under section 112 of the *Building Act 2000* (Tas).

Certificate of Completion (plumbing works) means a certificate issued under section 113 of the *Building Act 2000* (Tas).

Certificate of Occupancy means an occupancy permit issued under section 98 of the *Building Act 2000* (Tas).

Co-owner includes, where the context permits, the Co-owner's executors, employees, agents, contractors and invitees.

Co-owner's Share means initially undivided one ten thousandth shares (%) (which may be expressed as a percentage) as tenant in common in the fee simple of the Property, and then as varied under this Agreement.

Default Rate means, in relation to any outstanding amount:

- (a) the aggregate of two per cent (2%) per annum plus the rate (expressed as a percentage per annum) which is the bid rate for bank accepted bills of exchange having a tenure of thirty (30) days, shown at approximately 10.30 am on the 'BBSY' reference rate page of the Reuters Monitor System in Hobart on the day from which the Default Rate is required to be calculated (or, if that day is not a Business Day, the Business Day immediately preceding that day); or

- (b) if on the relevant day from which the Default Rate is required to be calculated or the preceding Business Day (as the case may require) either the 'BBSY' reference rate page or the rate for bank accepted bills of exchange having a tenure of thirty (30) days is not published by 10.30 am or thereabouts on the Reuters Monitor System in Hobart then:
 - (i) any substantially similar bid rate published by the Reuters Monitor System on that day; or
 - (ii) if no substantially similar bid rate is published by the Reuters Monitor System on that day, the rate per centum per annum which is the average of the buying rate for bank accepted bills of exchange having a face value of \$500,000 quoted by three (3) banks in Hobart on the relevant day or preceding Business Day, as applicable.

Director includes, where the context permits, the Director's employees, agents, contractors and invitees.

Director's Share means initially undivided one ten thousandth shares (%) (which may be expressed as a percentage) as tenant in common in the fee simple of the Property, and then as varied under this Agreement.

Eligible Scheme Participant means a person who meets the income and asset criteria established by the Director from time to time.

Equity Share means the Director's Share and the Co-owner's Share combined.

Financier includes, where the context permits, the Financier's employees, agents, contractors and invitees.

Good Design and Construction Practice means materials, practices, methods and systems which accord with the following:

- (a) Nationally accepted design, building design, engineering, construction, testing and management procedures;
- (b) relevant quality assurance systems;
- (c) all applicable state, national, international codes and standards including any standards issued by the Standards Association of Australia;
- (d) use of materials of merchantable quality which are fit for their intended purpose;
- (e) use of suitably qualified, accredited and experienced personnel; and
- (f) use of appropriate plant and equipment.

Improvement or Improved means work to the Property of a capital nature that requires Regulatory Approval.

Insolvent means:

- (a) having committed an act of bankruptcy;

- (b) being made bankrupt; or
- (c) being subject to an arrangement under Part IV of the *Bankruptcy Act 1966* (Cwth).

Laws include:

- (a) acts, ordinances, regulations, by-laws, orders, awards, local laws, statutes, proclamations, codes, standards or guidelines of any Regulatory Agency;
- (b) Approvals and requirements in connection with the Project including: binding requirements and mandatory Approvals (including conditions) of any Regulatory Agency;
- (c) principles of law or equity established by decisions of courts;
- (d) provisions of the Constitution of Tasmania, and the Constitution of the Commonwealth of Australia; and
- (e) fees, rates, taxes, levies and charges payable in respect of those things referred to in paragraphs (a) to (d) of this definition, whether in existence at the date of this Agreement, or coming into existence after that date.

MCP means the Financier's Memorandum of Common Provisions for Mortgages over Real Property, that forms part of the Mortgage at a particular time.

Mortgage means the mortgage of the Equity Share to the Financier.

Planning and Environment Approvals means any environment, planning, use or development of land, conservation or heritage approval, permit or authorisation.

Property means the land comprised in Folio of the Register Volume Folio .

Purchase Agreement means the agreement to purchase the Property made between the Vendor and the Director and Co-owner as purchaser dated .

Regulatory Agency means any governmental, public, statutory, local governmental, semi-governmental or judicial body, officer, entity or authority.

Regulatory Approval means any Approval by a Regulatory Agency.

Right means any legal or equitable right, discretion, power, entitlement or remedy whether express or implied.

Scheme means the Scheme administered by the Director known as Homeshare.

Settlement Date means the date on which the purchase of the Property under the Purchase Agreement is completed.

Term means the earlier of:

- (a) thirty (30) years from the Settlement Date; or

- (b) the death of the Co-owner.

Valuer-General means the person appointed as the Valuer-General under the *Valuation of Land Act 2001* and includes his or her nominee.

1.2 Interpretation

Unless expressed to the contrary in this Agreement, the following interpretation provisions apply to it:

- (a) a reference to this Agreement includes any variation or replacement of any of it;
- (b) a reference to a statute, ordinance, code or other legislative requirement includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) a reference to a person includes:
 - (i) an individual, a firm, a body corporate, an unincorporated association or a statutory or responsible authority or other authority, as constituted from time to time; and
 - (ii) the person's executors, administrators, successors and permitted assigns;
- (e) an agreement, representation or warranty on the part of, or in favour of, two or more persons binds, or is for their benefit, both together and separately;
- (f) a covenant prohibiting a person from doing anything, also prohibits that person from authorising or allowing it to be done by another person;
- (g) a reference to any thing (including an amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them;
- (h) a reference to a clause, paragraph, schedule, annexure or appendix, is a reference to a clause, paragraph, schedule, annexure or appendix in or to this Agreement;
- (i) a reference to a day is to be interpreted as the period of time starting at midnight and ending twenty-four (24) hours later;
- (j) a reference to a month or a year means a calendar month or calendar year respectively;
- (k) words or phrases derived from a defined word have a corresponding meaning to the defined word;
- (l) a term of inclusion must not be interpreted to be a term of limitation;
- (m) all payments referred to in, or made under, this Agreement must be in Australian dollars;

- (n) a reference to the payment of money within a specified time is a reference to the full clearance of any cheque into the account of the payee within that time;
- (o) this Agreement operates under Tasmanian time;
- (p) if the day on, or by, which any act, matter or thing is to be done under this Agreement is not a Business Day, then that act, matter or thing must be done no later than the next Business Day;
- (q) an uncertainty or ambiguity in the meaning of a provision of this Agreement is not to be interpreted against a party only because that party prepared the provision; and
- (r) headings in this Agreement are included for convenience only, do not form part of it, and are not to be used in its interpretation.

Part 1 – Purchase of Property

2 Sale and Purchase

2.1 Purchase of the Property

The Director and Co-owner agree to purchase the Director's Share and the Co-owner's Share, respectively on the terms contained in the Purchase Agreement.

2.2 Purchase Agreement

The Director and the Co-owner have, or will, on or about the date of this Agreement enter into the Purchase Agreement.

2.3 Charge over Co-Owner's Share

- (a) Subject to the Mortgage, the Co-owner grants the Director a charge over the Co-owner's Share to secure any amounts owing by the Co-Owner to the Director during the Term.
- (b) The Co-owner acknowledges that the Director may lodge a caveat against the Co-owner's Share to protect the Director's right under clause 2.3(a). The Co-owner agrees not to apply to remove the caveat.
- (c) The Financier agrees to provide its consent to enable the Director to register the caveat.

2.4 Co-owner must provide executed power of attorney

On or before the Settlement Date, the Co-owner must deliver to the Director a duly executed power of attorney in the form required under clause 13 (*Power of attorney*).

Part 2 – Ownership Agreement

3 Tenants in Common

- (a) On and from the Settlement Date, the Director will hold the Director's Share and the Co-owner will hold the Co-owner's Share as tenants in common subject to the terms of this Agreement.
- (b) If the Co-owner is more than one person, then they must hold the Co-owner's Share as joint tenants as between themselves throughout the Term unless the Director agrees otherwise.

4 Waiver of right to occupy

Commencing on the Settlement Date, and for as long as the Co-owner observes and performs their obligations under this Agreement, the Director waives the Director's right to occupy the Property during the Term.

5 Acknowledgement

The Director and Co-owner acknowledge that they enter into this Agreement on the understanding that if the Property is sold under any circumstances, then the sale requirements in Part 3 of this Agreement apply.

6 Co-owner's general obligations

6.1 Rates and Taxes

The Co-owner must pay all municipal rates, taxes and charges assessed against the Property during the Term and when requested, must produce to the Director evidence of payment.

6.2 Services

The Co-owner is solely liable for, and must pay in full to the appropriate authorities, all charges and rent for all utilities and services supplied to the Property, including, metered water, telephone, electricity and gas.

6.3 Principal place of residence

Unless the Director agrees otherwise in writing, the Co-owner must occupy the Property as the Co-owner's principal place of residence and must not assign, sublet or part with possession of the Property.

6.4 Encumbrances

Without affecting the Co-owner's obligations under the Mortgage, the Co-owner must not further mortgage, charge or encumber, sell, transfer, dispose of or become a trustee of the Co-owner's Share without the Director's prior written consent.

6.5 Comply with laws

The Co-owner must comply punctually with any law, order, or notice received from an Authority that requires anything to be done concerning the Property.

6.6 Maintenance

The Co-owner must:

- (a) maintain the Property and keep it and all its fixtures and fittings in good repair and in clean and serviceable order;
- (b) keep the Property free from vermin, noxious weeds and fire hazards;
- (c) make good any defects to the Property, including those arising from reasonable wear and tear, malicious damage, fire, flood or tempest;
- (d) comply punctually with any notice given by the Director or the Financier, or any person authorised by either, requiring any;
 - (i) maintenance;
 - (ii) repair; or
 - (iii) defect to be made good;
- (e) maintain the garden, lawn, lawn edges, hedges, shrubs and trees at the Property, and keep the grounds of the Property clean, tidy and free from rubbish.

6.7 Advise Director of any damage or defect to Property

The Co-owner must give the Director immediate written notice of any damage or defect to the Property.

6.8 Permit Director to enter Property

The Co-owner, after having received reasonable written notice, must permit the Director, with or without workmen to enter the Property to:

- (a) view the condition and state of repair of the Property;
- (b) inspect the Property following any repair;
- (c) carry out repairs, maintenance or alteration of the Property if the work:
 - (i) is maintenance or repair for which the Co-owner is liable and has failed to carry out in accordance with a notice under clause 6.6(d); or
 - (ii) is required by law to be done; or
 - (iii) is required to be done for the safety of the Property or the occupants and visitors of the Property.
- (d) enable the Director to exercise any right or authority of the Director.

7 Purchase of Director's Share

7.1 Co-owner may purchase Director's Share

At any time during the Term, the Co-owner may purchase the Director's Share as provided in this clause 7, if the Co-owner is not then in breach of an obligation under this Agreement.

7.2 Co-owner must purchase Director's Share

At expiry or earlier termination of this Agreement, the Co-owner must purchase the Director's Share, as provided in this clause 7.

7.3 Valuation to be obtained

Before any purchase by the Co-owner under this clause 7, the Director will request the Valuer-General to determine the market value of the Property:

- (a) as at date of valuation, if clause 7.1 applies; or
- (b) as at the end or earlier termination of the Term, if clause 7.2 applies.

The Director will pay the cost of the valuation. The Director is not required to provide to the Co-owner anything other than advice of the market value determined by the Valuer-General.

7.4 Purchase price payable for Director's Share

The purchase price payable by the Co-owner for the Director's Share is to be determined as follows:

$$DSV = MV \times DS$$

where:

DSV = dollar value of the Director's Share

MV = market value of Property established under clause 7.3

DS = Director's Share at time of sale and purchase.

7.5 Co-owner responsible for costs

Subject to clause 7.3 the Co-owner must pay for all costs incurred in the purchase of the Director's Share under this clause 7.

7.6 General purchase conditions

- (a) If the Co-owner purchases the Director's Share under clause 7.2, then settlement of the transfer of the Director's Share is to take place within thirty (30) days from when the Director gives the Co-owner the market value resulting from the valuation referred to in clause 7.3 and a worked calculation of the purchase price, when:
 - (i) the Co-owner must pay to the Director the purchase price calculated under clause 7.4 by the following installments:
 - (A) one hundred dollars (\$100.00) on the expiry or earlier termination of this Agreement;

- (B) one hundred dollars (\$100.00) no later than fourteen (14) Business Days after the expiry or earlier termination of this Agreement;
- (C) balance on the completion date;
- (ii) the Director must deliver to the Co-owner all documents necessary to convey ownership of Director's Share in exchange for an executed partial discharge of the Mortgage from the Financier (so far as it relates to the personal liability of the Director) in a registerable form (and the Financier must perfect the partial discharge if it is not in a registerable form);
- (iii) the Co-owner must attend to the registration of the transfer and partial discharge of mortgage and must notify the Director when the registration of the discharge of mortgage is complete;

In all other respects, the sale will be subject to the Purchase Conditions in Schedule 1.

- (b) If the Co-owner expresses an interest to purchase the Director's Share under clause 7.1, then the Director must provide the Co-owner with:
 - (i) The market value resulting from the valuation obtained under clause 7.3; and
 - (ii) a worked calculation of the purchase price;
 for the Co-owner's consideration.
- (c) If, after receipt of the market value and the purchase price, the Co-owner chooses to exercise the right to purchase under clause 7.1, then the Co-owner must provide written notice to the Director within twenty (20) Business Days.
- (d) Settlement of the transfer of the Director's Share is to take place within fifteen (15) Business Days after the Director receives the notice given under clause 7.6(c) , when:
 - (i) the Co-owner must pay to the Director the purchase price calculated under clause 7.4 by the following installments:
 - (A) one hundred dollars (\$100.00) with the notice given under clause 7.6(c);
 - (B) one hundred dollars (\$100.00) no later than fourteen (14) Business Days after the notice is given under clause 7.6(c);
 - (C) balance on the completion date;
 - (ii) the Director must deliver to the Co-owner all documents necessary to convey ownership of Director's Share; and
 - (iii) the Co-Owner must attend to the registration of the transfer and partial discharge of mortgage and must notify the

Director when the registration of the partial discharge of mortgage is complete.

- (e) In all other respects, the sale will be subject to the Purchase Conditions in Schedule 1.

7.7 Valuation final and binding

The market value resulting from the valuation obtained by the Director under clause 7.3 is:

- (a) final and binding on the Director and the Co-owner; and
- (b) not binding on the Financier;

for the purpose of this clause 7.

8 Improvements to the Property by the Co-owner

8.1 Director's approval required

Without affecting the Co-owner's obligations under the Mortgage, the Co-owner must not make any Improvement to the Property, without obtaining the Director's prior written consent.

8.2 Information to be provided to Director

For the Director to consider consenting to a request by the Co-owner under clause 8.1, the Co-owner must provide to the Director the plans and specifications for the proposed Improvement that have been approved by the Financier.

8.3 Improvements to be at Co-owner's sole risk, responsibility and cost

All Improvements to the Property are to be made by the Co-owner;

- (a) at the Co-owner's sole risk, responsibility and cost; and
- (b) in compliance with all Approvals, Laws and any conditions imposed by a Regulatory Agency that relate to the Improvement.

8.4 Approvals and authorisations to be provided to Director

For any Improvement that requires the following, the Co-owner must provide to the Director:

- (a) a copy of any Certificate of Completion issued by the relevant Regulatory Agency; and
- (b) a copy of any Certificate of Occupancy if required by Law.

8.5 Assessment of Improvements by Value

When:

- (a) the Improvement has received all Approvals; and
- (b) the Director has received and approved the Approvals for the Improvement; and

- (c) the Co-owner has provided all the documents required under clause 8.2, to the Director's satisfaction,

the Director will request the Valuer-General to assess the value of the Property to determine the respective values of the Property before and after completion of the Improvement. The Director must provide details of these values to the Co-owner within thirty (30) Business Days of receiving it. The Director is not required to provide to the Co-owner anything other than those values as determined by the Valuer-General.

8.6 Commencement of the Improvement

After considering the values received under clause 8.5, the Co-owner must advise the Director in writing whether or not the Co-owner intends to proceed with the Improvement, before commencing work on the Improvement.

8.7 Director will pay for cost of valuation

If it is required, the Director will pay for the cost of one valuation under clause 8.5 each year during the Term. The Co-owner is responsible for any additional valuations required under clause 8.5.

8.8 Adjustment to Equity Share after Improvement

The Director's Share and the Co-owner's Share will be adjusted to take into account the value of the Improvement, as determined by Valuer General under clause 8.5, using the following formula:

- (a) Adjustment to Director's Share

$$DS2 = (MV1/MV2) \times DS1$$

where:

DS2 = Director's Share after Improvement

MV1 = the market value of the Property before Improvement, as determined under clause 8.5.

MV2 = the market value of the Property after Improvement, as determined under clause 8.5.

DS1 = Director's Share before Improvement.

- (b) Adjustment to Co-owner's Share

$$CS2 = CS1 + (DS1 - DS2)$$

where:

CS1 = Co-owner's Share before Improvement

CS2 = Co-owner's Share after Improvement.

DS1 = Director's Share before Improvement

DS2 = Director's Share after Improvement calculated under clause 8.8(a).

8.9 Financier to be notified

The Director must notify the Financier within thirty (30) Business Days after any adjustment to the Director's Share and the Co-Owner's Share under clause 8.8.

8.10 Valuation final and binding

A valuation obtained by the Director under clause 8.5 is final and binding on the Director and Co-owner for the purposes of this clause 8.

8.11 No change to the Equity Share on Certificate of Title

Despite any adjustment to the Director's Share and the Co-owner's Share under clause 8.8, no change will be made to the Equity Share registered on the Certificate of Title to the Property. The Director's and the Co-Owner's respective interests in the Property will be determined under this Agreement.

9 Indemnity

9.1 Co-owner indemnifies Director for third party risk

The Co-owner indemnifies the Director against all present and future legal liability, claims or proceedings for:

- (a) personal injury to, or death of, a third party;
- (b) either or both loss of, or damage to property of a third party; and
- (c) financial loss of the Co-owner or any third party;

arising from, or attributable to, the Co-owner's ownership interest, use or occupation of the Property.

9.2 Waiver of rights of recovery from the Director

The Co-owner waives all present and future rights to claim against the Director for:

- (a) personal injury to, or death of, the Co-owner or any guest or invitee of the Co-owner;
- (b) either or both loss of, or damage to any of the Co-owner's property or any third party's property; and
- (c) financial loss of the Co-owner or any third party;

arising from, or attributable to, the Co-owner's ownership interest, use or occupation of the Property.

9.3 Nature of indemnities and waiver

The indemnities and waiver in this clause 9:

- (a) are continuing obligations of the Co-owner, separate and independent from any other obligations; and
- (b) survive the termination of this Agreement.

10 Insurance and reinstatement

10.1 Co-owner to insure

- (a) The Co-owner must hold, and keep current throughout the Term, a contract of insurance with a reputable insurer lawfully carrying on insurance business in Australia, that provides cover for:
 - (i) the Director's and the Co-owner's respective liability as co-owners for:
 - (A) personal injury to, or death of, a third party; and
 - (B) either or both loss of, or damage to, the property of a third party; and
 - (C) statutory liability for worker's compensation;for not less than Five Million Dollars for any one claim or series of claims arising out of a single occurrence, or for such other amount as the Director reasonably requires, against liability arising from, or attributable to, the Co-owner's ownership interest, use or occupation of the Common Property and Property; and
 - (ii) the Property for its full reinstatement or replacement value, including:
 - (A) architects, surveyors and other professional fees;
 - (B) the cost of debris removal, demolition, site clearance and any works required by law, by-laws or regulations;
 - (C) incidental expenses; and
 - (D) appropriate cost escalation allowances over the period of the contract of insurance and the estimated reconstruction period of the Property;at the time of loss or damage, against loss or damage from fire, lightning, flood, storm, tempest, earthquake, water damage (including sprinkler leakage and rain water), explosion, or malicious damage and other risks usually covered under a comprehensive insurance policy for fire and related risks, for full reinstatement and replacement value; and
 - (iii) any other risks that the Director and the Financier reasonably require the Co-owner to insure against, for the amount stipulated by the Director or Financier.
- (b) The insurance policy must note the Financier's interest as mortgagee of the Property.

10.2 Co-owner to notify Financier

The Co-owner must notify the Financier in writing as soon as practicable:

- (a) if an insurance contract taken out under clause 10.1 lapses, is cancelled or is materially altered; or
- (b) if the Co-owner claims, or becomes entitled to claim under such an insurance contract.

10.3 Evidence of Co-owner's insurance

The Co-owner must give the Financier evidence of:

- (a) the terms of; and
 - (b) payment of the premium for;
- each insurance contract taken out under clause 10.1,
- (c) before the Co-owner exercises rights under this Agreement; and
 - (d) before each due date for renewal of each such insurance contract.

10.4 Insurance proceeds

- (a) The Co-owner and Director must direct the insurer to pay any proceeds of the insurance policy to the Financier. If the insurer does not do so, the recipient of any insurance proceeds must notify the Financier and hold the proceeds on trust for the Financier and pay them immediately to the Financier once requested to do so by the Financier.
- (b) The Financier must either:
 - (i) apply the insurance proceeds in accordance with clause 9.6 of its Memorandum of Common Provisions for Mortgages over Real Property that forms part of the Mortgage; or
 - (ii) deposit them into an interest bearing account from which the Co-owner must apply them (and interest credited to the account) to reinstate the Property.
- (c) The Financier may take over any rights to make, pursue or settle an insurance claim for loss or damage to the Property, belonging to the Director and the Co-owner. However, the Financier must notify both the Co-owner and the Director before taking over these rights.
- (d) If any part of the Property is damaged or destroyed, the Co-owner must:
 - (i) subject to allowing reasonable time for inspection by insurers, take immediate steps to clear any debris and begin initial repair work;
 - (ii) diligently pursue the repair and reinstatement of the affected part of the Property;
 - (iii) endeavour, to the greatest extent reasonably possible, to continue to comply with their obligations under this Agreement;
 - (iv) keep the Director fully informed of the progress of the repair and reinstatement.

- (e) To avoid doubt, the Co-owner's obligation to repair or reinstate the Property is not limited to the amount of the insurance proceeds (if any) paid by the insurer.

10.5 Sale on total loss of Property

- (a) The Director will request the Valuer-General to assess the value of the Property, before it was destroyed, and that value must be used to determine the Director's Share in this clause 10.5. The Director must give the Co-owner a copy of this valuation within thirty (30) Business Days after receiving it.
- (b) If the Property is destroyed, and the Co-owner does not reinstate it under clause 10.4, the Co-owner and the Director must direct the insurer to pay any proceeds of the insurance policy to the Financier. If the insurer does not do so, the recipient of any insurance proceeds must notify the Financier and hold the proceeds on trust for the Financier and pay them immediately to the Financier once requested to do so by the Financier. On receipt of those proceeds, the Financier must apply them in accordance with its MCP except that the Financier must pay to the Director any money remaining after payment of any secured money has been paid to the Financier.
- (c) The Director will be entitled to:
 - (i) all insurance proceeds when the Director's Share must be calculated under clause 7 (*Purchase of Director's Share*) of this Agreement (except for clause 7.3 (*Valuation to be obtained*)) by using the valuation obtained under clause 10.5(a);
 - (ii) the proceeds received from a sale of the Property when the Director's Share must be calculated under clause 12 of this Agreement by using the valuation contained under clause 10.5(a);to the extent necessary to repay the Director's Share.
- (d) Funds remaining after the entitlements of the Financier and Director have been satisfied, must be paid to the Co-owner.

11 Director may perform Co-owner's obligations

11.1 Director may perform

Subject to the Mortgage, if the Co-owner fails to observe or perform an obligation under this Agreement, the Director may (but is not required to) perform the obligation.

11.2 Co-owner remains liable

Despite clause 11.1, the Co-owner remains liable for the Co-owner's obligations under this Agreement.

11.3 Debt due to Director

The Co-owner must pay to the Director the costs incurred by the Director under clause 11.1.

Part 3 – Sale of Property

12 Sale of Property by Co-owner

12.1 Co-owner must first notify Director and Financier

If the Co-owner wishes to sell the Co-owners Share, the Co-owner must;

- (a) advise the Director and the Financier in writing of their intention to sell, including a proposed date when the Property will be offered for sale to the public; and
- (b) provide evidence to the Director's satisfaction of compliance, or ability to comply, with the requirements of a vendor under any Law that regulates the sale of residential property in Tasmania.

12.2 Calculating value of the Equity Share at time of sale

- (a) The value of the Director's Share for the sale of the Property is to be determined as follows:

$$DSV = MV \times DS$$

where:

DSV = the dollar value of the Director's Share.

MV = the sale price for the Property set out in the sale agreement approved and executed by the Director under clause 12.3(a).

DS = Director's Share at time of sale

- (b) The value of the Co-owner's Share for the sale of the Property is to be determined as follows:

$$CSV = MV - DSV$$

where:

MV = the sale price for the Property set out in the sale agreement approved and executed by the Director under clause 12.3(a).

DSV = the dollar value of the Directors Share established under clause 12.2(a).

CSV = the dollar value of the Co-owner's Share.

12.3 Agreement of sale

- (a) The Co-owner must provide the Director with the proposed contract of sale for the Property, signed by the proposed purchaser and the Co-owner, for approval by the Director and execution if approved.
- (b) Any contract for the sale of the Property must include the following clause:

“The Purchaser acknowledges and agrees that the Director:

- (i) is not in possession of the Property;
- (ii) will sign and deliver at settlement a Transfer, together with the Certificate of Title and discharge of mortgage for the Property; and
- (iii) is not liable for any default by the Director's co-owner of the Property under this Agreement."

12.4 Proceeds from sale of Property

- (a) Subject to the Financier's rights under the Mortgage, the proceeds from the sale of the Property under this clause 12 must be apportioned between the Director and the Co-owner in proportion to their respective interests in the Property at the time of the sale, as determined under clause 12.2.
- (b) If the Co-owner has not maintained the Property as required under this Agreement then, without prejudice to any other right or remedy the Director has, the Co-owner's share in the sale proceeds, determined under clause 12.2(b), must be adjusted as follows:
 - (i) the Director may obtain from the Valuer-General an assessment of the reduction in the value of the Property caused by the Co-owner's failure to carry out the maintenance and repair work.; and
 - (ii) the Co-owner's entitlement to a share of the sale proceeds is reduced, and the Director's entitlement to a share of the sale proceeds is increased, by those proportions of the amount determined under clause) 12.4(b)(i) equivalent to the Co-owner's Share and the Director's Share respectively, to compensate the Director for the Co-owner's default.

12.5 Co-owner must discharge Mortgage

- (a) The Co-owner is responsible to discharge the Mortgage to the Financier's satisfaction.
- (b) The Co-owner authorises the Director to repay the loan to the Financier at settlement.
- (c) Any shortfall between the Co-owner's proportion of the sale proceeds, received under clause 12.4, and the amount required to discharge the Mortgage is the Co-owner's sole responsibility.

12.6 Discharge of Mortgage

- (a) The Financier must discharge the Mortgage on the repayment by the Co-owner of all moneys owing under it by providing the Director with:
 - (i) the title to the Property;
 - (ii) the Mortgage; and
 - (iii) an executed discharge of the Mortgage in a registrable form (and must perfect the discharge if it is not in registrable form).

- (b) On a sale of the Property the Financier must account to the Co-owner and the Director for the proceeds of sale for the Property in accordance with this Agreement.
- (c) The obligations on the Financier to discharge the Mortgage and account to the Director for the Director's Share under this clause 12 survives the termination or expiry of this Agreement and applies not only to a sale of the Property under this clause 12, including but not limited to:
 - (i) the purchase of the Director's Share by the Co-owner under clause 7 (*Purchase of Director's Share*);
 - (ii) receipt by the Financier of insurance proceeds under clause 10 (*Insurance and reinstatement*); and
 - (iii) sale of the Property by the Financier under clause 14 (*Financier's obligation to Director on enforcement of the Mortgage*).

12.7 Co-owner must provide executed Transfer

The Co-owner must deliver an executed Transfer to the Director five (5) Business Days before the settlement date of the sale of the Property and authorises the Director to effect settlement of the sale of the Property under clause 12.8.

12.8 Settlement

The Director will attend the settlement of the sale of the Property under this clause 12 and must account to the Co-owner for the sale proceeds received at settlement as calculated under clause 12.4.

12.9 Costs on sale

- (a) The Director and the Co-owner are responsible for their separate legal costs incurred in the sale of the Property under this clause 12.
- (b) The Co-owner is solely responsible for all other costs incurred in the sale of the Property under this clause 12, including costs to discharge the Mortgage, real estate agent fees and commissions, stamp duty and registration fees.

12.10 Valuation final and binding

The valuations obtained by the Director under clause 12.4(b)(i) are final and binding on Director and Co-owner for the purpose of this clause 12.

13 Power of attorney

To secure the Co-owner's performance of their obligations under, or in connection with, this Agreement, the Co-owner must appoint the Director as their attorney under the form of power of attorney set out in Schedule 2. This clause 13 survives the termination or expiry of this Agreement.

14 Financier's obligation to Director on enforcement of the Mortgage

14.1 Notice of Co-owner's default

The Financier must provide the Director written notice of any default by the Co-owner under the Mortgage, within five (5) Business Days of the Financier becoming aware of the default, other than an arrears default which has been rectified.

14.2 Notice of enforcement

- (a) The Financier must consult with the Director before taking any action to enforce or exercise any of its Rights under the Mortgage to:
 - (i) take possession or control of the Property; or
 - (ii) sell the Property; and
- (b) The Financier must give the Director ten (10) Business Days prior written notice of its intention to enforce or exercise any Rights under the Mortgage.

14.3 Director not liable

The Financier acknowledges that the Director's liability under the Mortgage is limited for all purposes to the money recoverable by the Financier on a sale of the Property

15 Default

15.1 Co-owner Default Event

Each of the following is a Default Event:

- (a) the Co-owner fails to comply with any of the following clauses of this Agreement:
 - (i) 7 (*Purchase of Director's Share*);
 - (ii) 12 (*Sale of Property by Co-owner*);
- (b) the Co-owner breaches the Mortgage;
- (c) the Co-owner becomes Insolvent;
- (d) the Co-owner remains in breach of any other obligation in this Agreement:
 - (i) after the Director has given written notice to the Co-owner requiring the Co-owner to take steps to rectify the default within a period of not less than thirty (30) Business Days; and
 - (ii) the Co-owner has failed to take such steps to the Director's reasonable satisfaction.

15.2 Rights and liabilities of the Director following Default Event

- (a) Without prejudice to the Financier's rights as mortgagee, when a Default Event occurs, the Director may do one or more of the following:
 - (i) exercise all available Rights;
 - (ii) require the Co-owner to purchase Director's Share;
 - (iii) sell the Equity Share;
 - (iv) take possession of the Property;by giving written notice to the Co-owner and the Financier and no damages or compensation will be payable to the Co-owner as a result of any of those actions.
- (b) Within ten (10) Business Days after receiving the Financier's written notice under clause 15.2(b), the Director must give written notice to the Financier of the Director's intentions under clause 15.2(a).
- (c) This clause 15.2 survives the expiry of this Agreement.

16 Dispute resolution

16.1 Disputes must be notified before any legal action

A party must not commence or maintain any legal proceeding concerning a dispute arising in connection with this Agreement without first giving a dispute notice and complying with the provisions of this clause 16, except to seek urgent interlocutory relief.

16.2 Dispute notice

If a party considers that a dispute has arisen under this Agreement, it may give the other party a dispute notice setting out in reasonable detail the matter in dispute. Each party must then do all that is reasonably needed on its part to:

- (a) provide the other party with all information about the disputed matters that is appropriate to assist to resolve the dispute; and
- (b) promptly discuss the dispute and negotiate in good faith to try to resolve the dispute without legal proceedings.

16.3 Secondary level discussions

If the dispute has not been resolved within ten (10) Business Days after the parties start their discussions under clause 16.2, they must attempt to resolve the dispute by holding good faith discussions (or equivalents) within a further ten (10) Business Days.

16.4 Performance

Each party must use best efforts to ensure that a reasonably foreseeable dispute is dealt with soon enough to minimise any adverse effect on the ability of a party to perform its obligations under this Agreement. Neither

party is entitled to suspend performance of its obligations under this Agreement merely because a dispute between the parties has not been resolved.

17 Notices

17.1 Form

Unless expressly stated otherwise in this Agreement, all notices, certificates, requests, consents, approvals, waivers and other communications in connection with this Agreement must be in writing.

17.2 Delivery

Notices must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid ordinary post to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed postal address or changed fax number, then the communication must be to that address or number.

17.3 When effective

Notices take effect from the time they are received unless a later time is specified.

17.4 Receipt - post

If sent by post, notices are taken to have been received three (3) days after posting.

17.5 Receipt - fax

If sent by fax, notices are taken to have been received at the time shown in the transmission report as at the time that the whole fax was sent.

18 Copies of documents

- (a) When the Co-owner obtains a valuation under this Agreement the Co-owner must give a copy of it to the Director of Housing within ten (10) Business Days after receiving it.
- (b) When the Director gives a written notice or consent to the Co-owner under this Agreement, the Director must give a copy of it to the Financier within ten (10) Business Days after giving it to the Co-owner.

19 General

19.1 GST

- (a) Unless expressly stated otherwise, all fees or other sums payable or any other consideration provided, or to be provided, under or in connection with this Agreement, exclude GST.
- (b) Unless expressly stated otherwise, a party (“Supplier”) making a taxable supply under or in connection with this Agreement, may recover from the party (“Recipient”) to whom the taxable supply is made, an additional amount of GST calculated by multiplying the value of the consideration payable or to be provided for the supply (without any deduction or set-off) by the prevailing GST rate (“Additional Amount”).
- (c) The Additional Amount must be paid at the time when payment of the consideration for the taxable supply is due if the consideration is monetary, and within fourteen (14) days after the supplier provides a tax invoice to the Recipient, if the consideration is non-monetary.
- (d) The Supplier will provide a tax invoice to the Recipient for any taxable supply made under or in connection with this Agreement.
- (e) If the amount of GST recovered by the Supplier from the Recipient differs from the amount of GST payable at law by the Supplier in respect of the supply, the amount payable by the Recipient to the Supplier will be adjusted accordingly.
- (f) If, under the terms of this Agreement, one party is required to indemnify another, then the amount by which the indemnifying party indemnifies the other party (“the indemnity amount”) does not include any amount for which the indemnified party has claimed, or is entitled to claim, an input tax credit. However, to the extent that receipt of any indemnity amount renders the recipient of that payment liable to pay GST, paragraphs (b) to (e) of this sub-clause apply to the supply for which the indemnity amount is paid.
- (g) Terms and expressions used in this clause, which are defined in the GST Act, have the same meaning given to those terms and expressions in that Act.
- (h) “GST” means the tax imposed by the GST Act and the related imposition Acts of the Commonwealth.
- (i) “*GST Act*” means the *A New Tax System (Goods and Services Tax) Act 1999* (Cwth.) including all amendments made to the Act and any other regulations and other instruments made under the Act.

19.2 Interest on overdue amounts

- (a) If a party fails to pay an amount on the date it is due under this Agreement, then that party must pay interest to the other party on the outstanding amount until that amount is paid.

- (b) Interest will accrue daily at the Default Rate for each day from the date on which the amount became due and payable until payment is made, and is payable on the date payment of the principal amount is made.
- (c) If a liability under this Agreement becomes merged in an order or judgment of a court of competent jurisdiction, then the party must pay interest to the other party on the amount of that liability as an independent obligation. This interest accrues from the date the liability becomes due for payment (after or at the time of the order or judgment) until it is paid, at a rate that is the higher of the rate payable under the order or judgment and the Default Rate.

19.3 Set-off

Each party may set off any amount due for payment by it against any amount due for payment by the other under this Agreement.

19.4 Stamp duty

The Co-owner must:

- (a) pay all stamp duty (including fines and penalties) payable in relation to this Agreement; and
- (b) reimburse the Director for any stamp duty (including fine and penalties) payable by the Director in relation to this Agreement.

19.5 No partnership or agency

Except as expressly provided in this Agreement, nothing contained or implied in it will:

- (a) constitute, or be taken to constitute, a party to be the partner, agent or legal representative of any other party for any purpose whatsoever, or create, or be taken to create, any partnership; or
- (b) create, or be taken to create, any agency or trust.

19.6 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

19.7 Waiver and variation

- (a) No failure by a party to exercise, nor delay in exercising, a right, power or remedy operates as a waiver. A single or partial exercise of a right, power or remedy does not preclude any other, or further, exercise of that, or any other right, power or remedy. A waiver is neither valid nor binding on the party granting it unless made in writing signed by the party to be bound by the waiver.
- (b) A provision of this Agreement or right created under it, may not be varied except in writing, signed by the party or parties to be bound.

19.8 Approvals and consent

A party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this Agreement expressly provides otherwise. By giving its approval or consent a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

19.9 Remedies cumulative

The rights and remedies provided in this Agreement are in addition to other rights and remedies given by law independently of this Agreement.

19.10 Indemnities

The indemnities in this Agreement are continuing obligations, independent from the other obligations of the parties under this Agreement and continue after this Agreement ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this Agreement.

19.11 Further assurances

Each party agrees, at its own expense, on the request of any other party, to do everything reasonably necessary to give effect to this Agreement and the transactions contemplated by it (including execution of documents) and to use all reasonable endeavors to cause relevant parties to do likewise.

19.12 Exercise of powers

The Director may exercise any or all of the Director's powers, authorities, and discretions, under this Agreement through the Director's permanent officers or any other person or persons lawfully appointed in writing for that purpose.

19.13 Entire agreement

This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

19.14 Rules of construction

No rule of construction applies to the disadvantage of a party only because that party was responsible for the preparation of, or seeks to rely on, this Agreement or any part of it.

19.15 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this Agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any such transaction.

19.16 Severability

If the whole of any part of a provision of this Agreement is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This sub-clause 19.16 has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

19.17 Accrued rights

The termination or expiry of this Agreement does not affect the accrued rights of any party.

19.18 Governing Law and jurisdiction

- (a) The law of Tasmania governs this Agreement, and the parties submit to the jurisdiction of the courts of Tasmania.
- (b) Any proceedings issued under, or about, this Agreement, must be instituted either:
 - (i) in a Tasmanian court; or
 - (ii) in the Federal Court, from the Tasmanian Registry of that court.

19.19 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts will be taken to constitute one agreement. The parties agree that if necessary, they may exchange faxed copies of counterparts, and those faxed copies will be taken to constitute one agreement. The parties must exchange originals as soon as possible afterwards.

19.20 Confidentiality

- (a) Despite any confidentiality or intellectual property right subsisting in this Agreement either party may publish all or any part of it without reference to the other.
- (b) Nothing in this clause derogates from a party's obligation under the *Personal Information Protection Act 2004* (Tas) or the *Privacy Act 1988* (Cwth).

Executed as an Agreement.

Signing page

Dated:

20

Signed by)
a person authorised under Section)
6AB of the *Homes Act* 1935 in the)
presence of:)

Signature

Signature of witness

Name of witness (block letters)

Address of witness

Occupation

Executed for and on behalf of)
'Financier' (ACN XX))

Signature

Full name

Signature

Signature of witness

Full Name

Name of witness (block letters)

Address of witness

Occupation

Signed by _____ **in the presence** _____)
of: _____)

..... Signature of witness

..... Signature

.....
Name of witness (block letters)

.....
Address of witness

Occupation

Signed by _____ in the presence _____)
of: _____)

.....
Signature of witness

.....
Signature

.....
Name of witness (block letters)

.....
Address of witness

.....
Occupation

Schedule 1

Purchase Conditions

1. Easements and covenants

The Director's Share is sold:

- (a) together with all easements and covenants benefiting it;
- (b) subject to all easements that are:
 - (i) registered; or
 - (ii) apparent from an inspection of the Property; and
- (c) subject to all easements and covenants created by statute or disclosed in this Agreement.

2. Title

The Director warrants to the Co-owner that, at completion:

- (a) the Director will provide a good marketable documentary title to the Director's Share; and
- (b) the Director's Share will be the absolute property of the Director, or the Director will have the power to require a transfer of title to the Director's Share to the Co-owner.

3. Risk

At and from the Settlement Date, the Property is at the Co-owner's sole risk.

4. Rights after completion

After completion each party retains the benefit of all provisions requiring or contemplating that the other party do something after completion.

Schedule 2

Form of Power of Attorney

This Particular Power of Attorney is made on the day of , 20

by [Co-owner's details to be inserted] ("Co-owner")

under the *Powers of Attorney Act 2000* (Tas).

1. The Co-owner irrevocably appoints the Director as the Co-owner's attorney with power, under clause 13 (Power of Attorney) of the Agreement, to:
 - (a) do anything the Co-owner must do under or in connection with, or arising out of, the Agreement;
 - (b) do anything to complete a sale under clause 12 (*Sale of Property by Co-owner*) of the Agreement;
 - (c) do any thing the Director considers desirable to preserve the benefits to it under the Agreement; and
 - (d) appoint substitute attorneys and otherwise delegate these powers.
2. The Director or any substitute for or delegate of the Director may exercise these powers even if the Director or the delegate has a conflict of interest and duty.
3. The Co-owner must ratify any exercise of these powers.
4. The Co-owner grants this power of attorney:
 - (a) for valuable consideration which the Co-owner acknowledges receiving; and
 - (b) to secure the performance by the Co-owner of its obligations under, or in connection with, or arising out of, the Agreement.
5. The Co-owner must not revoke this Particular Power of Attorney until:
 - (a) the Director has notified the Co-owner in writing that it is satisfied that all of the Co-owner's obligations under, or in connection with, or arising out of, the Agreement have been satisfied or fulfilled; or
 - (b) the Agreement expires without being terminated by the Director.
6. Terms used in this Particular Power of Attorney have the following meanings, unless the contrary intention appears:

Agreement means the agreement between the Director, Co-owner and the Financier dated [date of tripartite Agreement to be inserted].

Director means the Director of Housing constituted a corporation sole by section 6A of the Homes Act 1935 (Tas)

Financier

Executed as a Deed by Co-owner as follows:

Signed by)
)
)
I certify that the Co-owner signed)
this Deed in my presence:)

.....
Signature of witness
.....
Name of witness (block letters)
.....
Address of witness
.....
Occupation
.....

.....
Signature
.....
(Full Name)



HomeShare Tripartite Agreement

Dated

20

Director of Housing

("Director")

and

("Financier")

and

("Co-owner")

The Crown Solicitor of Tasmania

GPO Box 825

Hobart 7001

Phone: (03) 6165 3650

Fax: (03) 6173 0265

Email: crown.solicitor@justice.tas.gov.au

HomeShare Tripartite Agreement

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HomeShare Lender Procurement

Background Report



HomeShare Lender Procurement – Background Report

Disclaimer

The content of this Background Report is provided for informational purposes only, and is not a legally binding agreement. The Tasmanian Government disclaims all liability to external parties arising from information in this Background Report. The Director makes no representations or warranties as to anything in this Background Report, including the likely numbers of, or distributions of loan values for future HomeShare customers. All information and data included has not been independently verified and users of this information should undertake their own independent research and verification before making any decisions. The data represented is historical and may not represent future outcomes.

Introduction

The Tasmanian Government has expressed its commitment to the reduction of housing stress and homelessness in the State of Tasmania. To support this objective, the HomeShare shared equity scheme (“HomeShare” or “the Scheme”) was implemented by the Tasmanian Government, through the Director of Housing (“the Director”) to reduce housing affordability challenges faced by many Tasmanians.

HomeShare has been in operation for over 10 years and has supported over 650 low-to-middle income Tasmanians into homeownership over this period. A strategic review of HomeShare was undertaken to measure its past performance, and refinements for the Scheme have subsequently been made to see its continued growth.

Purpose

The accompanying Request for Application (“RFA”) has been issued by the Director. The purpose of the RFA is to accredit lenders to provide Lending Services to customers under the Scheme. The purpose of this document is to provide general background information to prospective Applicants of the RFA.

Objectives and overview of HomeShare

HomeShare is a shared equity program operated by the Director that supports people to access home ownership. Shared equity supports aspiring homeowners by reducing the amount of time required to save for a deposit and reducing the ongoing repayment obligations.

The objectives of HomeShare reflect the market need, product functionality and the need for embedded versatility to accommodate future changes to the market and customer needs. The objectives of HomeShare are to:

1. Enable homeownership for moderate income households, including for appropriate or suitable social housing tenants.
2. Stimulate the construction sector and generate new affordable housing supply to meet demand across Tasmania.

The Scheme operates in accordance with the following structure:

- The Scheme offers customers up to 30% of the purchase price of their new home as an equity contribution (capped at \$100,000) from the Director (as a co-owner of the property). The amount that the Director contributes depends on the sale price of the house and the



size of the customer loan. The customer must borrow the maximum amount the lender will approve.

- The Director's equity contribution, in combination with the buyer's deposit (a minimum of 5% or \$10,000, whichever is larger) reduces the size of the homeowner's loan from the lender.
- There are no repayments required on the equity share from the Director until the end of the 30th year of the co-ownership, at which time the value of the Director's share is repayable to the Director as a lump sum. Repayment of the equity can also be triggered by the sale or refinance of the home, or at the customer's discretion.
- The value of the Director's share will be calculated on the market value of the property at the time of repayment.
- All HomeShare loans are funded by an approved lender. The customer must meet all of the lender's reasonable eligibility criteria including acceptable sources of income. The customer must make loan repayments directly to the lender and pay all costs including rates and insurance to maintain their home. As between the Director, the customer and the lender, the Director is not responsible for any such repayments or costs.
- The customer has a choice to apply for the Scheme for assistance in purchasing one of the following property types:
 - The property which the customer, being a social housing tenant, is currently renting from Housing Tasmania; or
 - A house that Housing Tasmania is offering for sale on their website; or
 - A new house and land package; or
 - A newly constructed house on the open market that has never been lived in by anybody before.

Further details on customer eligibility and levels of support are included in the Fact Sheet attached in Appendix A.

Delivering HomeShare in Tasmania

HomeShare in Tasmania is delivered through a contractual arrangement between the Director, the lender and the homeowner, to provide homeownership to people who otherwise would not be able to afford it.

Under this structure, the responsibilities of the Director are:

1. Overall governance and oversight of the Scheme; and
2. Provision of equity alongside homeowners; and
3. Establishment of eligibility criteria for Scheme participants; and
4. Establishment and monitoring of the terms on which lenders are accredited; and
5. Marketing and advertising of HomeShare; and
6. Contributing to the growth and development of the Scheme through overall policy control.

Further, the responsibilities of lender(s) under this structure are:

1. Provide loans under the Scheme to customers and manage loans from application through to settlement; and
2. Manage HomeShare applications and assess customer eligibility; and
3. Manage customer relationships and loan repayments, including for customers experiencing hardship, arrears and defaults; and

4. Marketing and distribution of HomeShare lending products; and
5. Contribute to the growth and development of the Scheme through creating and monitoring opportunities that will enhance HomeShare over time.

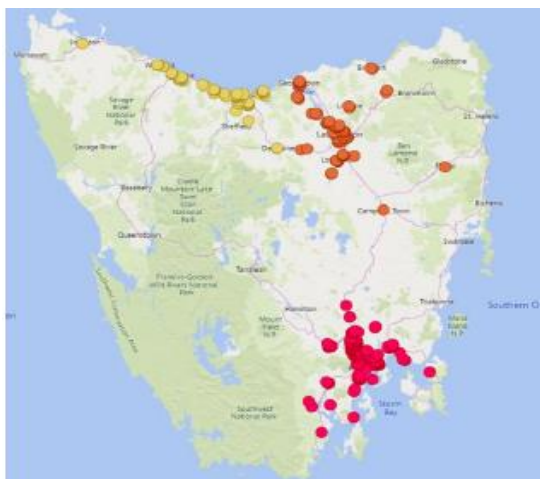


HomeShare's historical performance

Provided as follows are summary statistics regarding the historical performance of HomeShare. Historical data is not necessarily indicative of the future scale of the Scheme or the nature of new customer loans. The Tasmanian Government currently has a funding commitment of \$10,000,000 in place for HomeShare, and this will continue to be assessed going forward as part of its commitment to improve housing affordability in the State.

Figure 1: Current portfolio location distribution

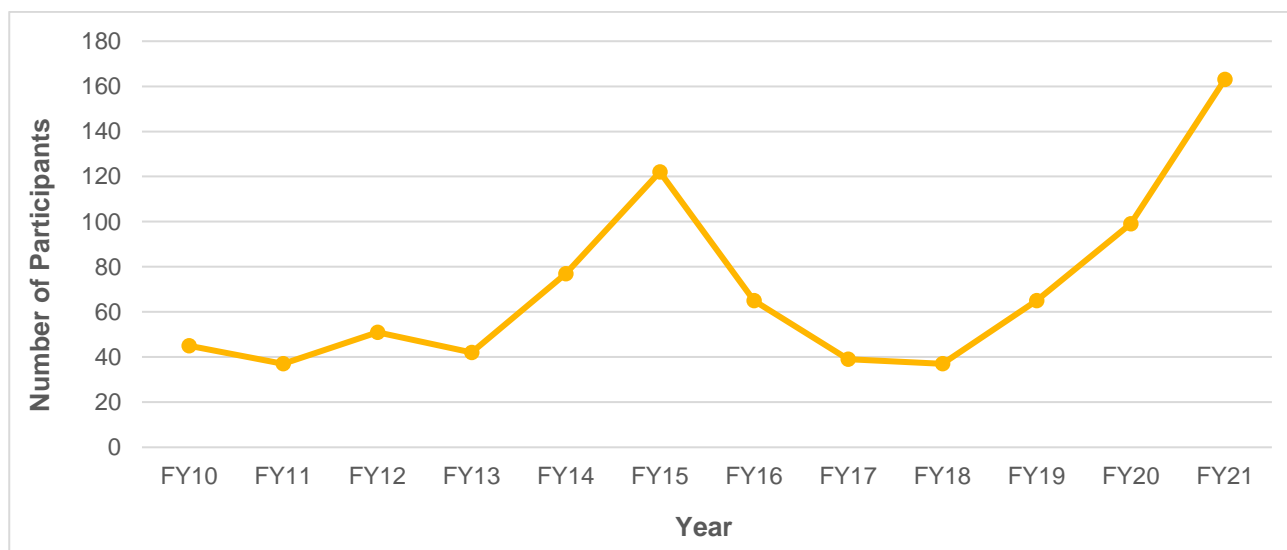
The image below specifies the location distribution of current HomeShare customers across Tasmania.



Note: Data as at January 2021.

Graph 1: Participant growth

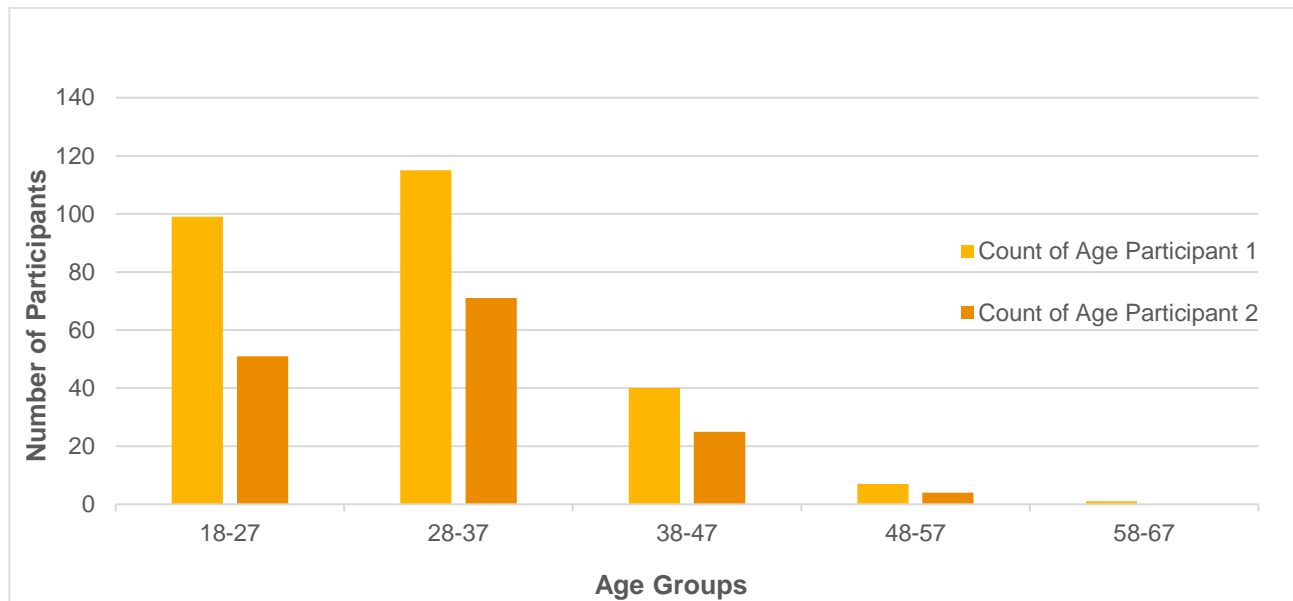
The graph below shows the number of new HomeShare participants that entered the Scheme from FY10 to FY21.





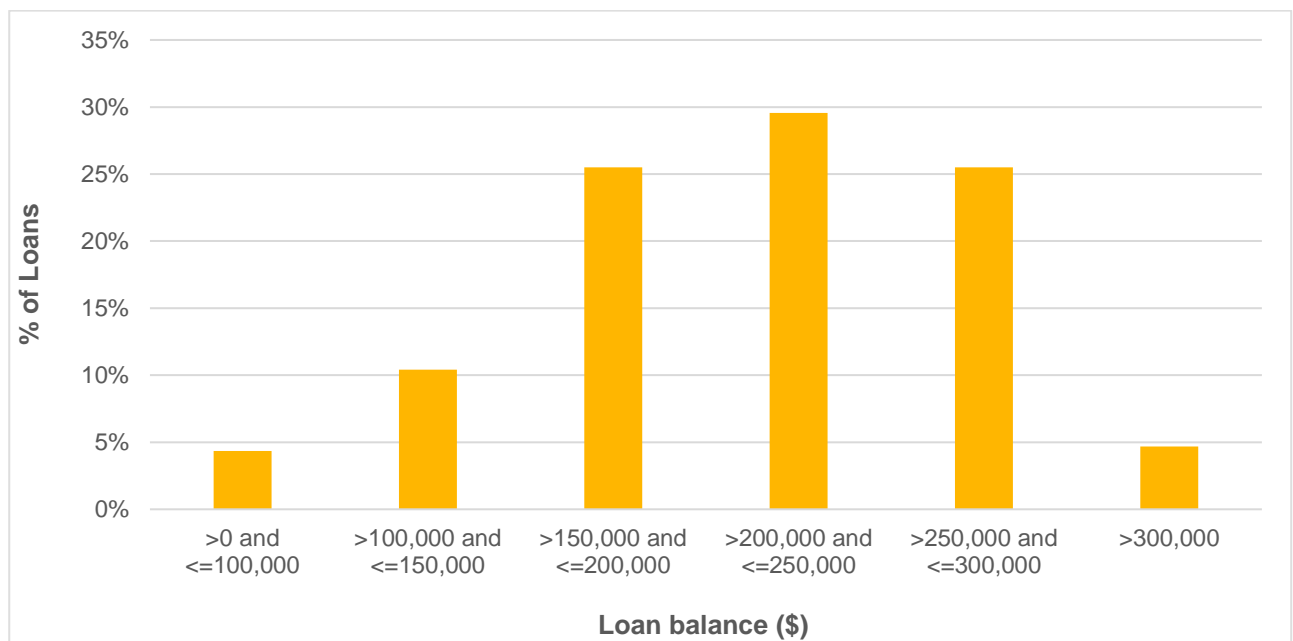
Graph 2: Age distribution

The graph below shows the age distribution of HomeShare participants between June 2019 to June 2021.



Graph 3: Loan distribution

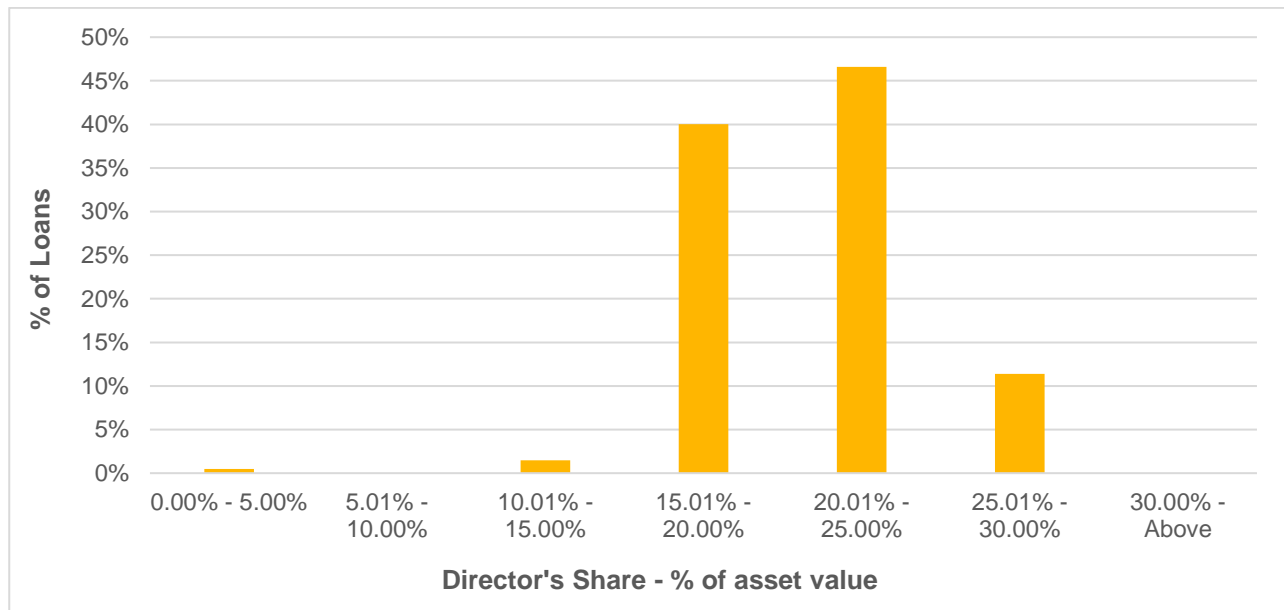
The graph below highlights the distribution of loan balances as at June 2021, with the average loan in the current loan book being \$186,891.





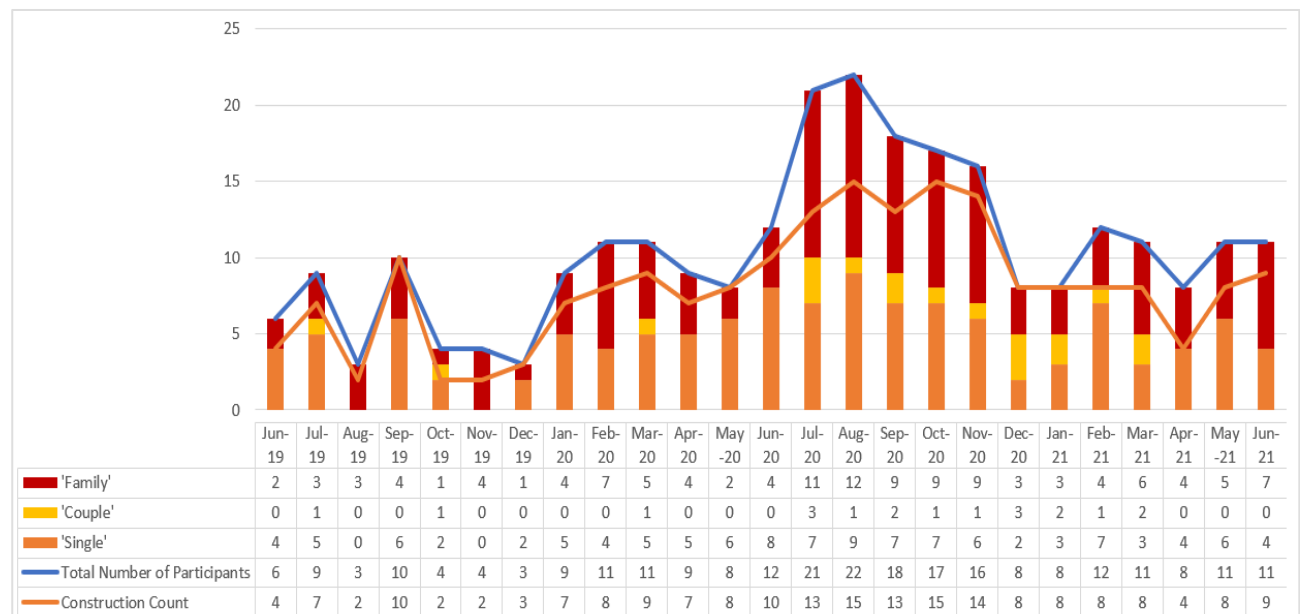
Graph 4: Director's share per loan

The graph below shows the proportion of the Director's share contributed (weighted by number of loans), for all current participants in HomeShare, as at June 2021.



Graph 5: Household composition

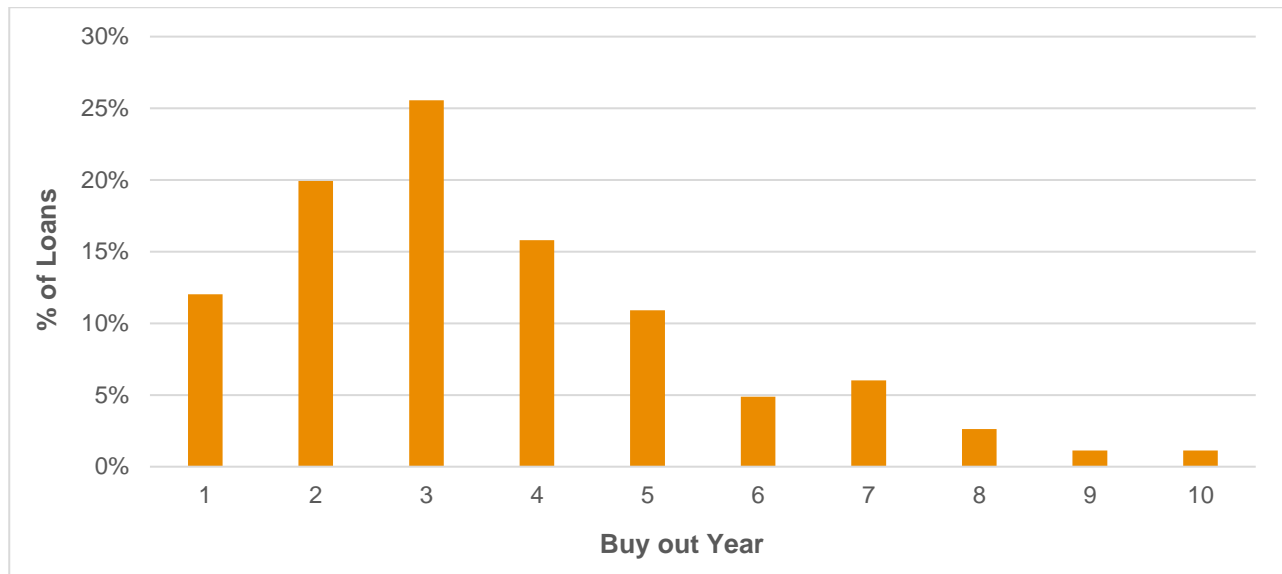
The graph below illustrates the household composition of each HomeShare participant from June 2019 to June 2021.





Graph 6: Buy out data

The graph below shows the amount of time (in years) between HomeShare participants entering the Scheme and buying out the Director's share.



Rate of arrears

As at June 2021, less than 3% of Scheme participants were in arrears. Of these, less than 1% were in arrears for more than 30 days.



Appendix A: HomeShare Fact Sheet



How much do I pay?

Under HomeShare you own at least 70 per cent of your home. You need enough income to be able to make repayments. The Director contributes up to 30 per cent. The Director's share is capped at \$100 000 for house and land packages. It must be paid out before 30 years. You do this by buying the Director's share or by selling the house.

The amount that the Director contributes depends on the sale price of the house and the size of your loan. You must borrow the maximum amount the Bank will approve.

All HomeShare loans are funded by Bendigo and Adelaide Bank Limited. You must meet all the Bank's eligibility criteria including acceptable sources of income. You must make loan repayments and pay all costs including rates and insurance to maintain your home.

If I am eligible, what property could I buy?

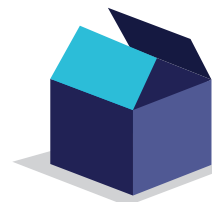
You may be able to buy the house you are currently renting from Housing Tasmania. Or you may be able to buy a house that Housing Tasmania offers for sale on the website www.communities.tas.gov.au/housing

You can also use HomeShare to buy a new house and land package. If you are buying a newly constructed house on the open market, it must never have been lived in by anybody before.

Am I eligible?

To be eligible for HomeShare you must:

- ✓ have an income to meet the costs of purchasing and owning a home
- ✓ be under income and asset limits (tenants in Housing Tasmania properties are exempt from this requirement)
- ✓ be an Australian citizen or permanent resident, living in Tasmania



What income and asset limits apply?

To be eligible for HomeShare you need an income. But that income must be below certain amounts. The total amount of income you receive while remaining eligible depends on your household "type" (see the table).

Your income from all sources will be used to determine your eligibility for HomeShare. If you are eligible, Tassie Home Loans will work out how much you can borrow.

Your financial assets must be no more than \$100 000. Financial assets include cash, savings, lump sum payments other than compensation payments, net fixed assets of a business, realised superannuation funds and shares, bonds and investments.

Your normal household assets are not included unless they are luxury items.

Tenants who rent a Housing Tasmania property are exempt from income and asset limits.

I'm not eligible, what are my options?

If you are not eligible for HomeShare but still need a home, there are other options. Contact Housing Connect to discuss your housing needs. Call them on 1800 800 588.

I'm interested. What next?

Read the HomeShare Information Booklet for more detailed information. The Booklet is available on the HomeShare website: www.homesharetas.com.au. Then you can contact a HomeShare representative to discuss whether this is the right option for you.

How do I make contact?

For further information or to apply for Home Share please contact Tassie Home Loans by:
Telephone: **1800 672 198**
Email: info@tassiehomeloans.com.au
Web: www.homesharetas.com.au

INCOME LIMITS

June 2021

HOUSEHOLD TYPE		GROSS INCOME LIMIT / LIMIT PER WEEK	GROSS INCOME LIMIT / LIMIT PER ANNUM
ADULTS	CHILDREN	\$	\$
2	0	1 829	95 119
2	1	2 196	114 180
2	2	2 562	133 242
2	3	2 929	152 304
2	4	3 294	171 271
ADULTS	CHILDREN	\$	\$
1	0	1 591	82 712
1	1	1 829	95 119
1	2	1 959	101 847
1	3	2 323	120 814
1	4	2 690	139 877

Income and asset eligibility limits are updated each year as of the 1st of July.